

## **United States Council Foundation, Inc.**

*An educational foundation affiliated with the United States Council for International Business*

### **Presents**

# **International Tax Update: Contract Manufacturing, Cost Sharing and Chinese Tax and Transfer Pricing**

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Wednesday, February 27, 2008  
DLA Piper US LLP Offices,  
2000 University Avenue  
East Palo Alto, CA

**Special Luncheon Program:**  
*Update on OECD Business Restructuring  
Project with head of OECD Joint Working  
Group*



**The conference venue has limited capacity so please register early**

# Program Description

## Co-Chairs

**A.W. Granwell**  
*Partner*

DLA Piper US LLP  
Washington, DC

**Larry Langdon**  
*Partner*

Mayer Brown LLP  
Palo Alto, CA

**Lynda K. Walker**  
*Vice President and  
International Tax Counsel*  
USCIB  
Washington, DC

The program will cover the latest developments in:

- **Contract Manufacturing.** The US Treasury Department and Internal Revenue Service have undertaken an important project to update and rationalize the sub-part F contract manufacturing and branch rules, which will affect CFC manufacturing/sales operations. This new guidance will be reviewed by Mike Difronzo and discussed in the context of planning opportunities and traps for the unwary.
- **Cost Sharing.** Cost sharing is a contentious, Tier 1 LMSB issue. The US Treasury Department and the Internal Revenue Service are in the process of revising the cost sharing regulations to prevent perceived abuses, particularly in the buy-in area, that may arise under the current regulations. This area will be updated by David Ernack and Steve Musher, from the policy perspective, and Diane Ryan from the IRS Appeals perspective, with commentary by prominent private sector and company panelists.
- **Chinese Tax and Transfer Pricing Developments.** The new Chinese Enterprise Income Tax Law will become effective January 1, 2008. New draft implementing regulations have been issued. The most important aspect of this new law will be summarized and planning strategies will be offered as to how to deal with the new law, to include the anti-avoidance provisions and transfer pricing guidance, from a Chinese and US tax point of view.
- **Business Restructurings.** During the lunch break, the latest developments in Business Restructurings will be summarized from the OECD perspective by David Ernack, chair of the Joint Working Group, and from the BIAC perspective by Pat Ellingsworth, head of the Tax Committee. Carmine Rotondaro will highlight EU developments in this area.

Ample time has been provided for audience participation.

## Venue and Reception Host and Sponsor



## Sponsors

**Deloitte.**

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McDermott  
Will & Emery

## Government Speakers:

**Michael A. Difronzo**  
*Deputy Associate Chief Counsel  
(International)*  
Internal Revenue Service  
Washington, DC

**David Ernack**  
*Associate International Tax Counsel,  
U.S. Treasury Department*  
Washington, DC

**Steven A. Musher**  
*Associate Chief Counsel (International)*  
Internal Revenue Service  
Washington, DC

**Diane Ryan**  
*Director, Technical Services, Appeals*  
Internal Revenue  
Service  
St. Louis, MO

## Private Sector Speakers:

**Fred Chilton**  
*Partner*  
McDermott, Will & Emery  
Palo Alto, CA

**Richard A. Clark**  
*Principal*  
Deloitte Tax LLP  
Washington, DC

**David Colker**  
*Partner*  
DLA Piper US LLP  
Palo Alto, CA

**Ray Dybala**  
*Partner*  
Mayer Brown LLP  
Chicago, IL

**Patrick Ellingsworth**  
*Executive Vice President*  
— Tax and Corporate  
Structure  
Royal Dutch Shell Plc  
London, England

# Schedule

8:00 am	Registration, Buffet Breakfast
8:25 am	Opening Remarks: Lyn Walker, U.S. Council for International Business
8:30 am	Cost Sharing <ul style="list-style-type: none"><li>• Introductory remarks</li><li>• Update: Regulations, LMSB Coordinated Issues Paper, Appeals Settlement Guidelines</li></ul> <p><b>Panelists:</b> Larry Langdon (moderator), Fred Chilton, Dick Clark, David Colker, David Ernack, Steve Musher, Diane Ryan and Bill Sample</p>
10:30 am	Refreshment Break
11:00 am	Contract Manufacturing/Branch Rules <ul style="list-style-type: none"><li>• Introductory remarks</li><li>• Review of guidance</li><li>• Critique of new guidance</li></ul> <p><b>Panelists:</b> A.W. Granwell (moderator), Mike Difronzo, Bob Giusti, Mike Reilly and Dan Wenzel</p>
12:00 pm	Working Lunch <i>Business Restructurings from the OECD and BIAC Perspectives</i> <p><b>Panelists:</b> Mike Patton (moderator), Pat Ellingsworth, David Ernack and Carmine Rotondaro</p>
2:00 pm	Contract Manufacturing/Branch Rules (continued)
3:00 pm	Refreshment Break
3:30 pm	Chinese Tax and Transfer Pricing Developments <ul style="list-style-type: none"><li>• Introductory remarks</li><li>• Summary of new EIT Law and Implementing Regulations</li><li>• Transfer pricing developments</li><li>• Planning strategies</li></ul> <p><b>Panelists:</b> (Qinghua Xu), Victor Li and Ray Dybala.</p>
5:30 pm	Program Reception (hosted by DLA Piper)
7:00 pm	End of Reception

**Educational Course Credits:** CPE and CLE accreditation will be sought and determined in those jurisdictions requested by registrants. The conference is designed for the intermediate to advanced level practitioner.

## Private Sector Speakers (Cont.:)

**Robert Giusti**  
*Partner*  
Ernst & Young LLP  
San Jose, Ca

**Michael F. Patton**  
*Partner*  
Ernst & Young LLP  
San Francisco, CA

**Carmine Rotondaro**  
*Tax and Real Estate Director*  
Gucci Group NV  
Amsterdam, The Netherlands

**Dan Wenzel**  
*Senior Tax Counsel*  
SC Johnson  
Milwaukee, WI

**Victor Li**  
*Senior Manager*  
Deloitte LLP  
Chicago, IL

**Michael Reilly**  
*Vice President, Taxation*  
Johnson & Johnson  
New Brunswick, NJ

**William J. Sample**  
*Vice-President Worldwide Tax*  
Microsoft Corporation  
Redmond, WA

**Qinghua Xu**  
*Director of China Advisory Services*  
Continental Western European Area  
Ernst & Young  
Beijing, China and Paris, France

# Registration Form

The United States Council Foundation, Inc.

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### Registration Fees

- Regular Registration: \$495.00\*  Conference Materials Only: \$100.00  
 USCIB Members receive \$150 discount

**Fee includes CLE/CPE Application**

Name

Position/Title

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\* For government, academic and student rates, call (512) 457-7013.

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**Cancellation Policy:** If you cannot attend, you must cancel your registration in writing no later than Friday, February 8th to receive a full refund less a 10% administrative charge. We cannot accept verbal cancellations. Cancellations received after February 8th are liable for the full conference fee. You may send a substitute in your place for no additional charge.

## Four Easy Ways to Register

- Complete and return to:  
Ms. Debbie Siu  
United States Council for International Business  
1212 Avenue of the Americas  
New York, NY 10036
- E-mail: [dsiu@uscib.org](mailto:dsiu@uscib.org)
- Fax: +(212) 575-0327, Attn: Debbie Siu
- [www.uscibtax.org](http://www.uscibtax.org)

### Hotel Information:

A block of rooms is being reserved at the Four Seasons Hotel in Palo Alto (adjacent to the conference venue) on a first-come first-serve basis.

### For hotel reservations, please contact:

Annette Calderon, E: [Annette.Calderon@dlapiper.com](mailto:Annette.Calderon@dlapiper.com), T: (512) 457-7013