

U.S. Income Tax Return of a Foreign Corporation

For calendar year 2007, or tax year beginning 2007, and ending 2007

2007

See separate instructions.

Name, Employer identification number, Check box(es) if: Initial return, Name or address change, First post-merger return, Schedule M-3 attached, Protective return.

- A Country of incorporation
B Foreign country under whose laws the income reported on this return is also subject to tax
C Date incorporated
D (1) Location of corporation's primary books and records
E If the corporation had an agent in the United States at any time during the tax year, enter:
F See page 22 of the instructions and enter the corporation's principal:
G Check method of accounting:

- H Did the corporation's method of accounting change from the preceding tax year?
I Did the corporation's method of determining income change from the preceding tax year?
J Did the corporation file a U.S. income tax return for the preceding tax year?
K (1) At any time during the tax year, was the corporation engaged in a trade or business in the United States?
L At any time during the tax year, did the corporation have a permanent establishment in the United States for purposes of any applicable tax treaty between the United States and a foreign country?
M Did the corporation have any transactions with related parties?

Computation of Tax Due or Overpayment

Table with columns for line numbers (1-9) and descriptions of tax calculations, including total tax, overpayment, and amount owed.

old line 5i deleted

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Sign Here: Signature of officer, Date, Title, May the IRS discuss this return with the preparer shown below?

Paid Preparer's Use Only: Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN, Firm's name, EIN, Phone no.

Additional Information (continued from page 1)

		Yes	No
N	Is the corporation a controlled foreign corporation? (See section 957(a) for definition.)		
O	Is the corporation a personal service corporation? (See instructions for definition.)		
P	Enter tax-exempt interest received or accrued during the tax year (see instructions) ▶ \$		
Q	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a U.S. corporation? (See section 267(c) for rules of attribution.) If "Yes," attach a schedule showing (1) name and EIN of such U.S. corporation; (2) percentage owned; and (3) taxable income or (loss) before net operating loss (NOL) and special deductions of such U.S. corporation for the tax year ending with or within your tax year.		
R	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/>		
S	Enter the available NOL carryover from prior tax years. (Do not reduce it by any deduction on line 30a, page 3.) ▶ \$		
T	Is the corporation a subsidiary in a parent-subsidiary controlled group? If "Yes," enter the parent corporation's: (1) EIN ▶ (2) Name ▶		
U	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (See section 267(c) for rules of attribution.) If "Yes," attach a schedule showing the name and identifying number. (Do not include any information already entered in item T.) Enter percentage owned ▶	Yes	No
V	Is the corporation taking a position on this return that a U.S. tax treaty overrules or modifies an Internal Revenue law of the United States, thereby causing a reduction of tax? If "Yes," the corporation is generally required to complete and attach Form 8833. See Form 8833 for exceptions. Note: Failure to disclose a treaty-based return position may result in a \$10,000 penalty (see section 6712).		
W	During the tax year, did the corporation own any entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," attach a statement listing the name, country under whose laws the entity was organized, and EIN (if any) of each such entity.		
X	During the tax year, did the corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? If "Yes," see instructions for required attachment.		
Y	(1) Has the corporation made any allocation or reallocation of income based on section 482 and its regulations? (2) Has the corporation recognized any interbranch amounts? If "Yes," attach statement (see instructions)		
Z	(1) Is the corporation a dealer under section 475? (2) Did the corporation mark to market any securities or commodities other than in a dealer capacity?		

SECTION I—Income From U.S. Sources Not Effectively Connected With the Conduct of a Trade or Business in the United States—Do not report items properly withheld and reported on Form 1042-S. See instructions.

Include below **only** income from U.S. sources that is **not** effectively connected with the conduct of a trade or business in the United States. Do not report items properly withheld and reported on Form 1042-S. Report only items that (a) are not correctly withheld at source or (b) are not correctly reported on Form 1042-S. The rate of tax on each item of gross income listed below is 30% (4% for the gross transportation tax) or such lower rate specified by tax treaty. No deductions are allowed against these types of income. Enter treaty rates where applicable. **If the corporation is claiming a lower treaty rate, also complete item V above.** If multiple treaty rates apply to a type of income (e.g., subsidiary and portfolio dividends or dividends received by disregarded entities), attach a schedule showing the amounts, tax rates, and withholding for each.

Name of treaty country, if any ▶

(a) Class of income (see instructions)	(b) Gross amount	(c) Rate of tax (%)	(d) Amount of tax liability	(e) Amount of U.S. income tax paid or withheld at the source
1 Interest				
2 Dividends				
3 Rents				
4 Royalties				
5 Annuities				
6 Gains from disposal of timber, coal, or domestic iron ore with a retained economic interest (attach supporting schedule)				
7 Gains from sale or exchange of patents, copyrights, etc.				
8 Fiduciary distributions (attach supporting schedule)				
9 Gross transportation income		4		
10 Other fixed or determinable annual or periodic gains, profits, and income				
11 Total. Enter here and on line 1, page 1				
12 Total. Enter here and include on line 5h, page 1				

13 Is the corporation fiscally transparent under the laws of the foreign jurisdiction with respect to any item of income listed above? Yes No
If "Yes," attach a schedule that provides the information requested above with respect to each such item of income.

SECTION II—Income Effectively Connected With the Conduct of a Trade or Business in the United States (see instructions)

Important: Fill in all applicable lines and schedules. If you need more space, see Assembling the Return in the instructions.

Table with 31 rows for Income and Deductions. Columns include descriptions, sub-rows (a, b, c), and line numbers. Includes a red box on the left: 'Former lines 21 and 22 deleted'.

Schedule A Cost of Goods Sold (see instructions)

Table for Schedule A with 8 rows. Includes checkboxes for inventory valuation methods and LIFO adoption, and a percentage field for LIFO computation.

SECTION II—Income Effectively Connected With the Conduct of a Trade or Business in the United States
(continued)

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions: (a) × (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations		70	
7 Dividends from 20%-or-more-owned foreign corporations		80	
8 Total. Add lines 1 through 7. See instructions for limitation.			
9 Dividends from foreign corporations not included on lines 3, 6, or 7			
10 Foreign dividend gross-up (section 78)			
11 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))			
12 Other dividends			
13 Deduction for dividends paid on certain preferred stock of public utilities			
14 Total dividends. Add lines 1 through 12. Enter here and on line 4, page 3.			
15 Total special deductions. Add lines 8 and 13. Enter here and on line 30b, page 3.			

Schedule E Compensation of Officers (See instructions for Section II, line 12.)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 of Section II) are \$50,000 or more.

	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation	
				(d) Common	(e) Preferred		
1a			%	%	%		
b			%	%	%		
c			%	%	%		
d			%	%	%		
e			%	%	%		
2	Total compensation of officers						
3	Compensation of officers claimed on Schedule A and elsewhere on this return						
4	Subtract line 3 from line 2. Enter the result here and on line 12, page 3.						

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))					
2	Income tax. Check if a qualified personal service corporation (see instructions)					2
3	Alternative minimum tax (attach Form 4626)					3
4	Add lines 2 and 3					4
5a	Foreign tax credit (attach Form 1118)					5a
b	General business credit. Check applicable box(es): <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form (specify): _____					5b
c	Credit for prior year minimum tax (attach Form 8827)					5c
d	Bond credits from: <input type="checkbox"/> Form 8860 <input type="checkbox"/> Form 8912					5d
6	Total credits. Add lines 5a through 5d					6
7	Subtract line 6 from line 4					7
8	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)					8
9	Total tax. Add lines 7 and 8. Enter here and on line 2, page 1.					9

Former line 5b deleted

Check boxes for Forms 8835, 6478, and 8844 deleted.

SECTION III—Branch Profits Tax and Tax on Excess Interest

Part I—Branch Profits Tax (see instructions)

1	Enter the amount from Section II, line 29	1		
2	Enter total adjustments to line 1 to get effectively connected earnings and profits. (Attach required schedule showing the nature and amount of adjustments.) (See instructions)	2		
3	Effectively connected earnings and profits. Combine line 1 and line 2	3		
4a	Enter U.S. net equity at the end of the current tax year. (Attach required schedule.)	4a		
b	Enter U.S. net equity at the end of the prior tax year. (Attach required schedule.)	4b		
c	Increase in U.S. net equity. If line 4a is greater than or equal to line 4b, subtract line 4b from line 4a. Enter the result here and skip to line 4e	4c		
d	Decrease in U.S. net equity. If line 4b is greater than line 4a, subtract line 4a from line 4b.	4d		
e	Non-previously taxed accumulated effectively connected earnings and profits. Enter excess, if any, of effectively connected earnings and profits for preceding tax years beginning after 1986 over any dividend equivalent amounts for those tax years	4e		
5	Dividend equivalent amount. Subtract line 4c from line 3. If zero or less, enter -0-. If no amount is entered on line 4c, add the lesser of line 4d or line 4e to line 3 and enter the total here	5		
6	Branch profits tax. Multiply line 5 by 30% (or lower treaty rate if the corporation is a qualified resident or otherwise qualifies for treaty benefits). Enter here and include on line 3, page 1 (See instructions). Also complete item V on page 2	6		

Part II—Tax on Excess Interest (see instructions for this Part and for Schedule I)

7a	Enter the interest from Section II, line 18	7a		
b	Enter the inverse of the total amount deferred, capitalized, and disallowed from Schedule I, line 24d (i.e., if line 24d is negative, enter as a positive number; if line 24d is positive, enter as a negative number).	7b		
c	Combine lines 7a and 7b (amount must equal Schedule I, line 23).	7c		
8	Branch interest (see instructions for definition): Enter the sum of Schedule I, line 9, column (c), and Schedule I, line 22. If the interest paid by the foreign corporation's U.S. trade or business was increased because 80% or more of the foreign corporation's assets are U.S. assets, check this box <input type="checkbox"/>	8		
9a	Excess interest. Subtract line 8 from line 7c. If zero or less, enter -0-	9a		
b	If the foreign corporation is a bank, enter the excess interest treated as interest on deposits. Otherwise, enter -0-. (See instructions)	9b		
c	Subtract line 9b from line 9a	9c		
10	Tax on excess interest. Multiply line 9c by 30% or lower treaty rate (if the corporation is a qualified resident or otherwise qualifies for treaty benefits). (See instructions.) Enter here and include on line 3, page 1. Also complete item V on page 2	10		

Part III—Additional Information

		Yes	No
11	Is the corporation claiming a reduction in, or exemption from, the branch profits tax due to:		
a	A complete termination of all U.S. trades or businesses?		
b	The tax-free liquidation or reorganization of a foreign corporation?		
c	The tax-free incorporation of a U.S. trade or business?		
If 11a or 11b applies and the transferee is a domestic corporation, attach Form 8848. If 11c applies, attach the statement required by Temporary Regulations section 1.884-2T(d)(5).			

Note: Check if completing on U.S. basis or a Worldwide basis.

Schedule L Balance Sheets per Books

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts	()		()	
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6a Interbranch current assets*				
b Other current non-U.S. assets*				
c Other current U.S. assets*				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9a Other loans and investments—non-U.S. assets*				
b Other loans and investments—U.S. assets*				
10a Buildings and other depreciable assets				
b Less accumulated depreciation	()		()	
11a Depletable assets				
b Less accumulated depletion	()		()	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	()		()	
14 Assets held in trust				
15 Other non-current interbranch assets*				
16a Other non-current non-U.S. assets*				
b Other non-current U.S. assets*				
17 Total assets				
Liabilities				
18 Accounts payable				
19 Mortgages, notes, bonds payable in less than 1 year:				
a Interbranch liabilities*				
b Third-party liabilities*				
20 Other current liabilities*				
21 Loans from shareholders				
22 Mortgages, notes, bonds payable in 1 year or more:				
a Interbranch liabilities*				
b Third-party liabilities*				
23 Liabilities held in trust				
24a Other interbranch liabilities*				
b Other third-party liabilities*				
Equity (see instructions)				
25 Capital stock: a Preferred stock				
b Common stock				
26 Additional paid-in capital				
27 Retained earnings—Appropriated*				
28 Retained earnings—Unappropriated				
29 Adjustments to shareholders' equity*				
30 Less cost of treasury stock		()		()
31 Total liabilities and shareholders' equity				

*Attach schedule—See instructions.

Former Schedules M-1 and M-2 deleted and converted to separate Schedules