

SCHEDULE H (Form 1120-F)

Deductions Allocated To Effectively Connected Income Under Regulations Section 1.861-8

OMB No. 1545-0126

2007

Department of the Treasury Internal Revenue Service

Attach to Form 1120-F. See separate instructions.

Name of corporation

Employer identification number

Part I Deductions Directly Allocated and Apportioned to ECI and Non-ECI

Note. Enter all amounts in Part I in only U.S. dollars or in only functional currency. If U.S. dollars, check box [ ] . Otherwise, specify currency

Table with 14 rows for Part I deductions. Includes lines 1-14 with descriptions and column headers for amounts.

Part II Home Office Deductions Indirectly Allocated and Apportioned to ECI and Non-ECI

Note. Enter the amounts in Part I, lines 16 through 21 in U.S. dollars.

Table with 6 rows for Part II home office deductions. Includes lines 15-21 with descriptions and column headers.

Part III Indirect Allocation and Apportionment Methods and Financial Records

Note. Enter the amounts in Part III, lines 22a, 22b, 23a, 23b, and 25 (if applicable), in U.S. dollars.

Table with 6 rows for Part III financial records. Includes lines 22-26 with descriptions and column headers for ratios and percentages.

**Part III Indirect Allocation and Apportionment Methods and Financial Records** *(continued)*

Financial and other records used to identify deductions allocated and apportioned to ECI

	Yes	No
<b>27a</b> Published or other non-public audited financial statements . . . . .		
<b>b</b> Non-audited financial statements . . . . .		
<b>28</b> Home office management or other departmental cost accounting reports . . . . .		
<b>29</b> Other (e.g., home country regulatory reports) (attach schedule) . . . . .		

**Part IV Allocation and Apportionment of Deductions on Books and Records Used to Prepare Form 1120F, Schedule L**

**Note.** Enter all amounts in **Part IV** in U.S. dollars.

<b>30</b> Total expenses per books and records used to prepare Form 1120F, <b>Schedule L</b> . . . . .		<b>30</b>
<b>31</b> Adjustments for U.S. tax principles (attach schedule - see <b>instructions</b> ) . . . . .	<b>31</b>	
<b>32</b> Total deductions per line 30 books and records. Combine lines <b>30</b> and <b>31</b> . . . . .	<b>32</b>	
<b>33a</b> Third party interest expense per books and records . . . . .	<b>33a</b>	
<b>b</b> Interbranch interest expense per books and records . . . . .	<b>33b</b>	
<b>34</b> Bad debt expense per books and records . . . . .	<b>34</b>	
<b>35</b> Other third party deductions not allocable (attach schedule) . . . . .	<b>35</b>	
<b>36</b> Interbranch expenses per books not included on line <b>33b</b> (attach schedule) . . . . .	<b>36</b>	
<b>37</b> Add lines <b>33a</b> through <b>36</b> . . . . .		<b>37</b>
<b>38</b> Deductions on books and records allocable and apportionable under Regulations <b>section 1.861-8</b> . Subtract line <b>37</b> from line <b>32</b> . . . . .		<b>38</b>

**32**

		(a) ECI Amounts	(b) Non-ECI Amounts	(c) Total: Add columns (a) and (b)
<b>39a</b> Derivative transaction deductions directly allocated under <b>section 1.861-8</b> (from line <b>38</b> ) . . . . .	<b>39a</b>			
<b>b</b> Other deductions directly allocated and apportioned . . . . .	<b>39b</b>			
<b>40</b> Total expenses directly allocated and apportioned. Add lines <b>39a</b> and <b>39b</b> . . . . .	<b>40</b>			
<b>41</b> Deductions on books and records indirectly allocated and apportioned . . . . .	<b>41</b>			
<b>42</b> Total deductions allocated and apportioned. Add lines <b>40</b> and <b>41</b> . <b>Column (c)</b> must equal line <b>38</b> . . . . .	<b>42</b>			

**Note.** Line **42**, column (a) is the total of the deductions reported on Form 1120F, **Section II**, lines **12, 13, 14, 16, 17, 19, 20, 21, 22, 23, 24, 25,** and **27**.