# Cumulative Changes

This is a new product that was developed in response to the Form 1120-F redesign. Accordingly, no changes or additions are highlighted.

Ref. checks =

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OMB No. 1545-0126

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Employer identification number

#### SCHEDULE M-3 (Form 1120-F)

Department of the Treasury Internal Revenue Service

Name of corporation

### Net Income (Loss) Reconciliation for Foreign Corporations With Reportable Assets of \$10 Million or More

Attach to Form 1120-F.See separate instructions.

		1		
Α	Has the corporation reported taxable income on Form 1120-F, page 3 using a treaty provision to attribusiness profits to a U.S. permanent establishment under rules other than section 864(c)?		☐ Yes	□ No
В	Did the corporation prepare a non-consolidated, worldwide, certified audited income statement for period (see instructions)?	the	☐ Yes	□ No
С	Did the corporation prepare a non-consolidated, worldwide income statement for the period (see Instruction	<mark>s)</mark> ?	☐ Yes	☐ No
D	Did the corporation prepare certified audited income statement(s) for the set(s) of books reported on F 1120-F, Schedule L?		☐ Yes	☐ No
Pai	Financial Information and Net Income (Loss) Reconciliation (see instructions)			
1	Is the corporation a foreign bank as defined in Temporary Regulations section 1.882-5T(c)(4)?  Yes. Complete the remainder of Part I as follows:  If D is "Yes," use the income statement described in D to complete lines 2 through 5 and 7 through 10 is "No," use the income statement(s) for the set(s) of books reported on Form 1120-F, Sche to complete lines 2 through 5 and 7 through 11			
	No. Complete the remainder of Part as follows:  If B is "Yes," use the income statement described in B to complete lines 2 through 11.  If B is "No" and C is "Yes," use the income statement described in C to complete lines 2 through 15 B and C are "No" and D is "Yes," use the income statement described in D to complete lines 2 If B C and D are "No," use the income statement described in the instructions to complete lines 2.	throug		
	Enter the income statement period: Beginning/ Ending/ Has the corporation's income statement been restated for the income statement period entered on Yes. Attach an explanation and the amount of each item restated No.	line <mark>2a</mark>	<mark>1</mark> ?	
С	Has the corporation's income statement been restated for any of the 5 income statement periods protection that the period on line 2a?	recedi	ng	
	Yes. Attach an explanation and the amount of each item restated.  No.			
3	Is any of the corporation's stock publicly traded on any exchange, U.S. or foreign?  ☐ Yes. List exchange(s) and symbol ▶			
4	No.  Non-consolidated foreign corporation net income (loss) in U.S. dollars from the income statement source identified in line 1	4		
	Net income from includible disregarded foreign entities not included on line 4 (attach schedule) .	5a	/	
	Net loss from includible disregarded foreign entities not included on line 4 (attach schedule)	5b 5c	(	)
	Net income from includible disregarded U.S. entities not included on line 4 (attach schedule) Net loss from includible disregarded U.S. entities not included on line 4 (attach schedule)	5d	(	)
6	Net income (loss) from foreign locations not included on line 4 (attach schedule)	6		
	Net income of non-includible entities (attach schedule)	7a	(	)
	Net loss of non-includible entities (attach schedule)	7b		
8	Adjustments to intercompany transactions (attach schedule)	8		
9	Adjustments to reconcile income statement period to tax year (attach schedule)	9		
10	Other adjustments to reconcile to amount on line 11 (attach schedule)	10		
11	Adjusted financial net income (loss) of non-consolidated foreign corporation. Combine lines 4 through 10	11		

Name of corporation

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## Part II Reconciliation of Net Income (Loss) per Income Statement of Non-Consolidated Foreign Corporations With Taxable Income per Return (see Instructions)

	Income (Loss) Items	(a) Income (Loss) per Income Statement (optional)	<b>(b)</b> Temporary Differences	(c) Permanent Differences	Other Permanent Differences for Allocations to Non-ECI and ECI	(e) Income (Loss) per Return (optional)
1	Gross receipts					
2	Cost of goods sold (attach schedule)					
За	Dividends from foreign entities					
b	Dividends from U.S. entities					
С	Substitute dividend payments received .					
4a	Interest income excluding interest					
	equivalents		1/1			
b	Substitute interest payments received .					
С	Interest equivalents not included on line 4b					
5	Gross rental income					
6	Gross royalty income					
7	Fee and commission income					
8	Income (loss) from equity method					
_	corporations					
9	Net income (loss) from U.S. partnerships					
10	Net income (loss) from certain foreign partnerships (attach schedule)					
11	Net income (loss) from other pass-through entities (attach schedule)					
12	Items relating to reportable					
	transactions (attach details)					
13	Hedging transactions					
14a	Mark-to-market income (loss) under					
	section 475(a)					
b	Mark-to-market income (loss) subject to section 475(d)(3)(B)					
С	Mark-to-market income (loss) under section 475(e)					
d	Mark-to-market income (loss) under					
	section 475(f)					
15	Gain (loss) from certain section 988					
	transactions					
16a	Interest income from global securities					
	dealing					
b	Dividends from global securities dealing					
С	Gains (losses) and other fixed and					
	determinable, annual, or periodic					
	income from global securities dealing					
17	not included on lines 16a and 16b  Sales versus lease (for sellers and/or					
17	lessors)					
18	Section 481(a) adjustments					
19	Unearned/deferred revenue					
20	Original issue discount, imputed					
	interest, and phantom income					
21a	Income statement gain/loss on sale,					
	exchange, abandonment, worthlessness, or other disposition of assets other than					
	inventory and pass-through entities					
b	Gross capital gains from Schedule D					
	excluding amounts from pass-through entities					

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Part II	Reconciliation of Net Income (Loss) per Income Statement of	Non-Consolidated Foreign
	Corporations With Taxable Income per Return (see instructions	(continued from page 2)

	Corporations With Taxas	bic inodine per	Hetain (See (115	tractions) (contin	laca iroiti page	<u></u>
	Income (Loss) Items	(a) Income (Loss) per Income Statement (optional)	<b>(b)</b> Temporary Differences	<b>(c)</b> Permanent Differences	(d) Other Permanent Differences for Allocations to Non-ECI and ECI	(e) Income (Loss) per Return (optional)
21c	Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses					
d	Net gain/loss reported on Form 4797 line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses.			4 2	5	1
е	Abandonment losses					
f						
g	Other gain/loss on disposition of assets other than inventory		10			
22	Capital loss limitation and carryforward used					
23	Gross effectively connected income of foreign banks from books that do not give rise to U.S. booked liabilities		6			
24	Other income (loss) items with differences (attach schedule)		U			
25	Total income (loss) items. Combine lines 1 through 24					
26	Total expense/deduction items					
	(from Part III, line 33)					
27	Other items with no differences					
28	Reconciliation totals. Combine lines					
	25 through 27		lima dd acad ac		1100 F 0 -	in a 00
D	Note. Line 28, column (a), must equal the					
	ABUB RECONCULATION Of NET INC	an izzo ii amo:	Income Staten	nent ot Non-Co	nsolidated Fore	uan

Part III Reconciliation of Net Income (Loss) per Income Statement of Non-Consolidated Foreign Corporations With Taxable Income per Return (see instructions)

	Expense/Deduction Items	(a) Expense per Income Statement (optional)	<b>(b)</b> Temporary Differences	(c) Permanent Differences	(d) Other Permanent Differences for Allocations to Non-ECI and ECI	(e) Deduction per Tax Return (optional)
1	U.S. current income tax expense .					
2	U.S. deferred income tax expense .					
3	Non-U.S. current income tax expense (other than foreign withholding taxes)					
4	Non-U.S. deferred income tax					
	expense					
5	Non-U.S. withholding taxes					
6	Compensation with section (162(m)) limitation					
7	Salaries and other base compensation					
8	Stock option expense					_
9	Other equity-based compensation .					
10	Meals and entertainment					
11	Fines and penalties					
12	Judgments, damages, awards, and similar costs					

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### Part III Reconciliation of Net Income (Loss) per Income Statement of Non-Consolidated Foreign Corporations With Taxable Income per Return (see instructions) (continued from page 3)

Expense/Deduction Items  Expense/Deduction Items  Expense/Deduction Items  Expense/Deduction Items  Expense/Deduction Items  Pension and profit-sharing  13 Pension and profit-sharing  14 Other post-retirement benefits  15 Deferred compensation  16 Charitable contributions  17 Demestic production activities deduction  18 Current year acquisition or recognization investment banking fees, legal and accounting fees  19 Current year acquisition or recognization investment banking fees, legal and accounting fees  19 Current year acquisition, reorganization after costs.  20 Amontization/impairment of goodwill  21 Amontization/impairment of acquisition, reorganization and impairment write-offs  23 Depreciation  24 Bad debt expense  25 Purchase versus lesses (for purchasers and/or lessees)  26 Interest expense under Regulations section (access of feer and or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to deferral or disable control (for acquisition amount subject to		Oorporations with raxa		(	(0000000)	raida iraiii <mark>paga</mark>	
14 Other post-retirement benefits 15 Deferred compensation 16 Charitable contributions 17 Domestic production activities deduction 18 Current year acquisition or reorganization investment banking fees, legal and accounting fees 19 Current year acquisition/reorganization other costs, 20 Amortization/impairment of goodwill 21 Amortization of acquisition, reorganization and start-up costs 22 Other amortization and impairment write-offs 23 Depreciation 24 Bad debt expense 25 Purchase versus lease (for purchasers and/or lessees) 26 Interest expense under Regulations section (1882-9 flore) 26 Interest expense under Regulations section (1882-9 flore) 27 C Regulations section (1882-9 flore) 28 C Regulations section (1882-9 flore) 29 Augustion (1882-9 flore) 20 C Regulations expense (1882-9 flore) 20 C Regulations excludit i from (130-0) nor 20 21 C Regulations excludit i from (130-0) nor 20 22 C Regulations excludit i from (130-0) nor 20 23 Depreciation (1882-9 flore) 24 Depreciation (1882-9 flore) 25 Purchase versus leaded (1882-9 flore) 26 Regulations excludit i from (130-0) nor 20 27 U.S. source substitute dividend payments 28 Fee and commission expense 29 Rental expense 29 Rental expense 29 Rental expense 20 Rental expense 20 Rental expense 21 Expenses allocable to effectively connected income under Regulations section (1863-9) from home office or other books that do not give rise to U.S. booked liabilities (flore) checkled (180-180) (1		Expense/Deduction Items	Expense per Income Statement	Temporary	Permanent	Other Permanent Differences for Allocations to	Deduction per Tax Return
reorganization investment banking fees, legal and accounting fees .  19 Current year acquisition/reorganization other costs, .  20 Amortization of acquisition, reorganization, and start-up costs .  21 Amortization and impairment write-offs .  22 Other amortization and impairment write-offs .  23 Depreciation .  24 Bad debt expense .  25 Purchase versus lease (for purchasers and/or lessese) .  26 Interest expense per books .  26 Interest expense under Regulations section [1825-9] filosophio (from 1/20-F), line 2)  27 C Regulations section [1825-9] allocation amount subject to deferral or disallowance (from Schedule   Form (130-6), line 24)  28 Interest equivalents (e.g., guarantee fees) not included on lind 266 .  29 U.S. source substitute dividend payments .  29 Rental expense .  30 Royalty expense .  31 Expenses allocable to effectively connected income under Regulations section (130-6), line 260 .  32 Other expense/deduction items with differences (attach schedule) .  31 Total expense/deduction items with differences (attach schedule) .  32 Other expense/deduction items with differences (attach schedule) .  33 Total expense/deduction items with differences (attach schedule) .  35 Total expense/deduction items with differences (attach schedule) .  36 Combine linest through 22 Enter here	14 15 16	Other post-retirement benefits Deferred compensation Charitable contributions Domestic production activities				50	
other costs; 20 Amortization/impairment of goodwill 21 Amortization of acquisition, reorganization, and start-up costs. 22 Other amortization and impairment write-offs. 23 Depreciation	18	reorganization investment banking			4 0		
20 Amortization/impairment of goodwill 21 Amortization of acquisition, reorganization, and start-up costs . 22 Other amortization and impairment write-offs	19						
21 Amortization of acquisition, reorganization, and start-up costs 2 Other amortization and impairment write-offs 2 Oberpreciation	20						
write-offs  Depreciation  Boperciation  Depreciation  Depending Depreciation  Depreciation  Depreciation  Depreciation  Depending Depend	21				AD		
23 Depreciation	22	-					
25 Purchase versus lease (for purchasers and/or lessees)		•		00			
26a Interest expense per books b Interest expense under Regulations section (1.882-5) (from Schedule (1.60m 1.20-F), line 23		Purchase versus lease (for purchasers		U			
b Interest expense under Regulations section 1.882-5 (from Schadule 1 (Form 1120-F), line 23	26a						
amount subject to deferral or disallowance (from Schedule I (Form 1120-F), line 24d)	_	Interest expense under Regulations section 1.882-5 (from Schedule 1					
d U.S. source substitute interest payments	С	amount subject to deferral or disallowance (from Schedule I (Form					
e Interest equivalents (e.g., guarantee fees) not included on line 26d	d	U.S. source substitute interest					
27 U.S. source substitute dividend payments  Fee and commission expense  Pental expense  Rental expense  Royalty expense  30 Royalty expense  11 Expenses allocable to effectively connected income under Regulations section 1.861-8 from home office or other books that do not give rise to U.S. booked liabilities (from Schedule H (Form 1120-F), line 21)  32 Other expense/deduction items with differences (attach schedule)  33 Total expense/deduction items. Combine lines 1 through 32 Enter here	е	Interest equivalents (e.g., guarantee					
Fee and commission expense	27	U.S. source substitute dividend					
30 Royalty expense	28	• •					
31 Expenses allocable to effectively connected income under Regulations section 1.861-8 from home office or other books that do not give rise to U.S. booked liabilities (from Schedule H (Form 1120-F), line 21)  32 Other expense/deduction items with differences (attach schedule)  33 Total expense/deduction items. Combine lines 1 through 32 Enter here							
U.S. booked liabilities (from Schedule H (Form 1120-F), line 21)  32 Other expense/deduction items with differences (attach schedule)  33 Total expense/deduction items. Combine lines 1 through 32 Enter here		Expenses allocable to effectively connected income under Regulations section 1.861-8 from home office or					
Other expense/deduction items with differences (attach schedule)  Total expense/deduction items. Combine lines 1 through 32. Enter here							
differences (attach schedule)	20						
33 Total expense/deduction items.  Combine lines 1 through 32. Enter here	32	•					
	33	Total expense/deduction items.					