

Passive Foreign Investment Company Analyzer

Identify PFICs with speed, consistency
and confidence



Building a better
working world



More than 90%
of all US mutual
funds use EY
PFIC Analyzer to
quickly, efficiently
and consistently
identify PFICs.

EY PFIC Analyzer

Your resource to help manage risk

For more than a decade, EY Passive Foreign Investment Company (PFIC) Analyzer has been a valued source for identifying PFICs. We help funds verify the status of foreign equities, which helps reduce their exposure to risk. Our PFIC Analyzer team knows that the timely identification of the current PFIC status of holdings on a fund-by-fund basis can be a challenge and an imperfect process.

PFIC identification

As investing in foreign equities continues to grow, attempting to quickly identify and manage the tax-related risks of these investments will only become more difficult and challenging.

In the US, our PFIC Analyzer team combines our proprietary information database with global industry knowledge and vast technical resources to offer you support in evaluating the tax considerations of investing in foreign markets.

EY PFIC Analyzer helps you in identifying the most current status of PFICs, which assists funds in assessing the potential:

- ▶ Tax impact of these holdings on distribution planning and fund performance
- ▶ Exposure to unexpected tax liabilities, interest charges and penalties
- ▶ Reputational risk associated with adverse tax rulings

Adverse tax rulings about the PFIC status in a portfolio are not only costly, but can also diminish a portfolio's performance and the reputation of a fund.

Why choose Ernst & Young LLP for PFIC analysis?

EY PFIC Analyzer was the first reference tool of its kind in the marketplace, addressing the need to quickly identify PFICs to assist funds in managing their exposure to tax liabilities as an ever-increasing number of mutual funds began investing overseas.

Since launching the service in 2003, we have refined our approach and processes through extensive hands-on involvement and with the help of member firms of the global EY organization.

Combined, our team has analyzed more than 150,000 foreign issuers for PFIC status. The team has deep experience in international tax and the mutual fund industry, so we understand the business, and its unique challenges and risks.

Benefits of EY PFIC Analyzer


Authoritative research. Many funds identify the status of PFICs through ad hoc, cumbersome research, at either the portfolio management or fund accounting level. However, existing industry sources are limited in scope, which can make this a difficult process. EY PFIC Analyzer eases the burden of PFIC identification.

Comprehensive database. Currently, we have more than 30,000 securities captured in PFIC Analyzer, making it one of the broadest resources available for obtaining the PFIC status of foreign equities. Moreover, the database is continually updated.

Risk mitigation. EY PFIC Analyzer can assist in managing exposure for funds. If PFICs are not identified in a timely manner, a fund's net asset value and annualized return can be affected by income distribution volatility, along with potential interest charges and penalties. This poses both performance risk and reputational risk for a fund.

PFIC Lite. This add-on service enables users to search the current PFIC status of individual issuers or to request an expedited review of issuers that do not have a current finalized determination.

EY PFIC Analyzer currently captures more than 30,000 securities, making it one of the broadest resources available for obtaining the PFIC status of foreign equities.

A woman with glasses is looking at a screen in a server room. The background is a blurred server rack with blue lighting.

Our promise:
you will receive
the time,
attention and
advice of highly
experienced
professionals.

Meet your EY PFIC Analyzer team

Danielle Clark

danielle.clark@ey.com
+1 203 674 3693
Ernst & Young LLP

Wendy Smith

wendy.smith@ey.com
+1 616 336 8254
Ernst & Young LLP

Kaley Pellingra

kaley.pellingra@ey.com
+1 813 283 8639
Ernst & Young LLP

Mara Lamanna

mara.lamanna@ey.com
+1 203 674 3624
Ernst & Young LLP

Nora Triolo

nora.triolo@ey.com
+1 212 773 2932
Ernst & Young LLP

Chhaya Desai

chhaya.desai@ey.com
+1 916 218 1900
Ernst & Young LLP

Charley Buckage

charley.buckage@ey.com
+1 201 872 2427
Ernst & Young LLP



Click here to
find out more

For general inquiries:

pfic.analyzer@ey.com

Experience and innovation

Ask us about our other global investing tax services with respect to compliance and reporting.



Corporate Actions Tax Analyzer (CATA)

The need for timely identification of complex corporate actions continues to intensify. CATA identifies corporate actions impacting taxable income from announcement date to close. For corporate actions subject to Internal Revenue Code Sections 302/304, we provide the share price and shares outstanding to assist clients with the required calculations. We can also assist clients in the preparation of these calculations and certifications. The CATA team gathers Form 8937 for corporate actions, including instances where companies report a return of capital. In addition, the CATA Lite online database enables you to search all corporate actions reviewed by our CATA team.



Publicly Traded Partnerships (PTP) Analyzer

Effective 1 January 2023, unless an exception applies, brokers and custodians are required to withhold 10% on a foreign partner's gross proceeds from the sale of a partnership interest or distribution from a partnership if the partnership states that it is engaged in a US trade or business or the withholding agent has reason to know that it is engaged in a US trade or business. PTP Analyzer can efficiently and accurately ease the burden associated with PTP investments by assisting in the identification of PTP holdings via a review of all publicly traded US and foreign corporate equity securities held in a portfolio. The service also includes continuous monitoring for qualified notices, as well as an online lookup tool.



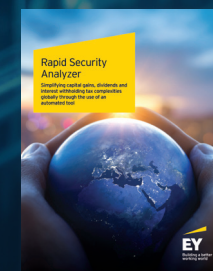
Per Se Analyzer

Investing on behalf of sovereign wealth fund clients can be complex, given the funds' tax-exempt status. The risk of investing in non-per se (noncorporate) entities may impact the funds' tax-exempt status, but the Per Se Analyzer or Per Se Analyzer Lite online database can help review investments on a pre-trade basis and determine their status as per se, non-per se, safe to hold, potentially safe to hold or not safe to hold for US tax purposes.



Global Withholding Tax Reporter (GWTR)

As authorities worldwide enforce new tax laws and increase transparency, the need to efficiently identify and manage tax risks in-house becomes more challenging. The GWTR online tax reference tool provides current and historical withholding tax information about portfolio dividends, interest, capital gains and mutual fund distribution in 131 markets of investment and 211 markets of investors (limited-entity types). In addition, GWTR Lite includes simply the withholding tax rate comparison tables across investor countries, income types and beneficial owner types.



Rapid Security Analyzer (RSA)

Keeping up with different countries' new and evolving taxation regimes and treaties can be complex. RSA can help by automating a part of the investment portfolio research analysis by mapping transactions to tax rules for more than 100 countries and for 12 financial instruments. RSA's interactive reports and executive dashboards enable clients to (1) view capital gains, dividends, and interest tax rates and rules (derived from GWTR), and sort rates by materiality; (2) analyze the percentage of significant or potential liabilities by country and by region; and (3) compare and contrast the fund types (investor countries) or effective dates with scenario results. The RSA Lite online lookup add-on allows individual searches for withholding tax rate, rule or status of a single security.

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

What makes EY distinctive in financial services

Over 84,000 EY professionals are dedicated to financial services, serving the banking and capital markets, insurance, and wealth and asset management sectors. We share a single focus – to build a better financial services industry, one that is stronger, fairer and more sustainable.

© 2023 EYGM Limited.
All Rights Reserved.

EYG 008370-23Gbl
2306-4265880 (BDFS0)
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com