



Asia-based private equity, real estate, and infrastructure funds consistently tell us that one of the challenges they face is the increasing number of requests they receive from their U.S. LPs to improve their tax compliance and structuring capabilities.

The U.S. tax laws are complex, constantly changing, and punish (with potentially significant penalties) those who do not report income from investments in a timely and accurate manner. No fund manager wants to be in a position of having to explain to their U.S. investors why an investment created phantom income or their gains are subject to tax at higher than favourable long-term capital gains rates. Neither do they want to explain why U.S. investors are subject to interest and penalties due to the inaccurate or untimely reporting of taxable income by the fund.

Our fund clients understand and appreciate the structuring and US tax compliance services KPMG provides as it protects relationships with their US investors, maintains competitiveness with industry norms, and provides credibility to US investors when fundraising.

From fund formation to capital accumulation to realisation and exit, KPMG's Hong Kong based U.S. Tax Team has the experience to help you deal with the U.S. tax issues and challenges that impact your fund and your fund's investors.

## U.S. Tax Services

Our U.S. Tax team has experience working with both global and regional funds and has the local resources available to provide you with the following:

- ✓ Balanced and realistic assessments of the pros and cons (from a tax perspective as well as from an investor's perspective) of contrasting courses of action to allow you to make informed decisions
- ✓ Identification and leverage of opportunities to limit and defer the incidence of foreign tax on income earned from holding and disposing of overseas investments
- ✓ Models of the tax consequences on a variety of assumptions about investment returns and timing
- ✓ Comprehension of, and compliance with, tax filing and payment requirements
- ✓ Collaboration with your legal advisers to manage the identified tax risks and achieve the envisioned structuring outcome

## Our Experience

We leverage our technical capabilities and market experience in the ASPAC region to help you achieve tax efficiency with respect to your investments and to provide timely and accurate U.S. tax reporting for the fund and its U.S. investors. We have the capabilities and experience to deliver both U.S. tax consulting and compliance services locally to the standard you and your U.S. investors require. For emerging tax issues affecting your business, we often draw upon the resources of our Washington National Tax practice - one of the largest, most experienced, and technically diverse tax knowledge centres in the world.

Like the U.S., taxation regimes in the ASPAC region are equally complex and must be addressed as part of the overall transaction or strategy. Because we are well integrated with Hong Kong, mainland China and other ASPAC-based KPMG tax teams, our team is able to provide comprehensive advice to funds on investments spanning multiple jurisdictions.

## Contact Us

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Wade has extensive experience in structuring and implementing acquisitions of assets by funds with U.S. investors. Additionally, Wade regularly advises ASPAC based funds on the structuring of U.S. investments including the application of U.S. income tax treaties.

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Melissa specialises in a wide range of complex U.S. tax matters including managing large international compliance engagements, planning and structuring real estate acquisitions and dispositions, and debt restructurings and modifications. Her clients include a wide range of real estate opportunity and private equity funds

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