

2013

Schedule of Included Controlled Foreign Corporations (CFC)

2416

Attach to Form 100W. Attach additional sheets if necessary.

Corporation name	California corporation number
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	(a) Corporation name	(b) Country of incorporation	(c) Country of primary bus. activity	(d) Principal bus. activity code	(e) Subpart F income	(f) Current year earnings and profits	(g) Percentage (e) ÷ (f)
1							
2							
3							
4							
5							
6							
7							
8							

	(h) Net income	(i) * (g) x (h)	(j) Average property everywhere	(k) (g) x (j)	(l) Rent expense x 8	(m) (g) x (l)	(n) Payroll everywhere	(o) (g) x (n)	(p) Sales everywhere	(q) (g) x (p)
1										
2										
3										
4										
5										
6										
7										
8										
9 TOTAL		<input type="text"/>		<input type="text"/>		<input type="text"/>		<input type="text"/>		<input type="text"/>

*Enter total from column (i) on Form 100W, Side 1, line 7a.

Alphabetic Listing of Countries and Codes for Form FTB 2416

Country	Code	Country	Code	Country	Code
Afghanistan	AF	Equatorial Guinea	EK	Malawi	MI
Akrotiri	AX	Eritrea	ER	Malaysia	MY
Albania	AL	Estonia	EN	Maldives	MV
Algeria	AG	Ethiopia	ET	Mali	ML
American Samoa	AQ	Falkland Islands (Islas Malvinas)	FK	Malta	MT
Andorra	AN	Faroe Islands	FO	Marshall Islands	RM
Angola	AO	Federated States of Micronesia	FM	Martinique	MB
Anguilla	AV	Fiji	FJ	Mauritania	MR
Antarctica	AY	Finland	FI	Mauritius	MP
Antigua and Barbuda	AC	France	FR	Mayotte	MF
Argentina	AR	French Guinea	FG	Mexico	MX
Armenia	AM	French Polynesia (Tahiti)	FP	Micronesia, Federated States of	FM
Aruba	AA	French Southern and Antarctic Lands	FS	Midway Islands	MQ
Ashmore and Cartier Islands	AT	Gabon	GB	Moldova	MD
Australia	AS	Gambia, The	GA	Monaco	MN
Austria	AU	Georgia	GG	Mongolia	MG
Azerbaijan	AJ	Germany	GM	Montenegro	MJ
Bahamas, The	BF	Ghana	GH	Montserrat	MH
Bahrain	BA	Gibraltar	GI	Morocco	MO
Baker Island	FQ	Greece	GR	Mozambique	MZ
Bangladesh	BG	Greenland	GL	Namibia	WA
Barbados	BB	Grenada	GJ	Nauru	NR
Belarus	BO	Guadeloupe	GP	Navassa Island	BQ
Belgium	BE	Guam	GQ	Nepal	NP
Belize	BH	Guatemala	GT	Netherlands	NL
Benin	BN	Guernsey	GK	Netherlands Antilles	NT
Bermuda	BD	Guinea	GV	New Caledonia	NC
Bhutan	BT	Guinea-Bissau	PU	New Zealand	NZ
Bolivia	BL	Guyana	GY	Nicaragua	NU
Bosnia-Herzegovina	BK	Haiti	HA	Niger	NG
Botswana	BC	Heard Island and McDonald Islands	HM	Nigeria	NI
Bouvet Island	BV	Holy See	VT	Niue	NE
Brazil	BR	Honduras	HO	Norfolk Island	NF
British Indian Ocean Territory	IO	Hong Kong	HK	Northern Mariana Islands	CQ
Brunei	BX	Howland Island	HQ	Norway	NO
Bulgaria	BU	Hungary	HU	Oman	MU
Burkina Faso	UV	Iceland	IC	Pakistan	PK
Burma	BM	India	IN	Palau	PS
Burundi	BY	Indonesia	ID	Palmyra Atoll	LQ
Cambodia	CB	Iran	IR	Panama	PM
Cameroon	CM	Iraq	IZ	Papua New Guinea	PP
Canada	CA	Ireland	EI	Paracel Islands	PF
Cape Verde	CV	Isle of Man	IM	Paraguay	PA
Cayman Islands	CJ	Israel	IS	Peru	PE
Central African Republic	CT	Italy	IT	Philippines	RP
Chad	CD	Jamaica	JM	Pitcairn Island	PC
Chile	CI	Jan Mayen	JN	Poland	PL
China	CH	Japan	JA	Portugal	PO
Christmas Island	KT	Jarvis Island	DQ	Puerto Rico	RQ
Clipperton Island	IP	Jersey	JE	Qatar	QA
Cocos (Keeling) Islands	CK	Johnston Atoll	JQ	Reunion	RE
Colombia	CO	Jordan	JO	Romania	RO
Comoros	CN	Kazakhstan	KZ	Russia	RS
Congo (Brazzaville)	CF	Kenya	KE	Rwanda	RW
Congo, Democratic Republic of (Kinshasa)	CG	Kingman Reef	KQ	St. Barthelemy	TB
Cook Islands	CW	Kiribati	KR	St. Helena	SH
Coral Sea Islands Territory	CR	Korea, Democratic People's Republic of (North)	KN	St. Kitts & Nevis	SC
Costa Rica	CS	Korea, Republic of (South)	KS	St. Lucia Island	ST
Cote D'Ivoire (Ivory Coast)	IV	Kosovo	KV	St. Martin	RN
Croatia	HR	Kuwait	KU	St. Pierre and Miquelon	SB
Cuba	CU	Kyrgyzstan	KG	St. Vincent and the Grenadines	VC
Curacao	UC	Laos	LA	Samoa	WS
Cyprus	CY	Latvia	LG	San Marino	SM
Czech Republic	EZ	Lebanon	LE	Sao Tome and Principe	TP
Denmark	DA	Liechtenstein	LS	Saudi Arabia	SA
Dhekelia	DX	Lithuania	LH	Senegal	SG
Djibouti	DJ	Luxembourg	LU	Serbia	RB
Dominica	DO	Macau	MC	Seychelles	SE
Dominican Republic	DR	Macedonia	MK	Sierra Leone	SL
East Timor	TT	Madagascar	MA	Singapore	SN
Ecuador	EC			Sint Maarten	NN
Egypt	EG			Slovak Republic (Slovakia)	LO
El Salvador	ES			Slovenia	SI
				Solomon Islands	BP
				Somalia	SO
				South Africa	SF
				South Georgia and the South Sandwich Islands	SX
				South Sudan	OD
				Spain	SP
				Spratly Islands	PG
				Sri Lanka	CE
				Sudan	SU
				Suriname	NS
				Svalbard	SV
				Swaziland	WZ
				Sweden	SW
				Switzerland	SZ
				Syria	SY
				Taiwan	TW
				Tajikistan	TI
				Tanzania	TZ
				Thailand	TH
				Togo	TO
				Tokelau	TL
				Tonga	TN
				Trinidad and Tobago	TD
				Tunisia	TS
				Turkey	TU
				Turkmenistan	TX
				Turks and Caicos Islands	TK
				Tuvalu	TV
				Uganda	UG
				Ukraine	UP
				United Arab Emirates	AE
				United Kingdom (England, Wales, Scotland, Northern Ireland)	UK
				Uruguay	UY
				Uzbekistan	UZ
				Vanuatu	NH
				Venezuela	VE
				Vietnam	VM
				Virgin Islands (British)	VI
				Virgin Islands (U.S.)	VQ
				Wake Island	WQ
				Wallis and Futuna	WF
				Western Sahara	WI
				Yemen (Aden)	YM
				Zambia	ZA
				Zimbabwe	ZI
				Other Country	OC

Instructions for Form FTB 2416

Schedule of Included Controlled Foreign Corporations (CFC)

General Information

A Purpose

Revenue and Taxation Code (R&TC) Section 25110(a)(2)(A)(ii) provides that the income and apportionment factors of any Controlled Foreign Corporation (CFC) (as defined in Internal Revenue Code [IRC] Section 957) that has Subpart F income (defined in IRC Section 952) are to be included in the combined report of a taxpayer making a water's-edge election.

Use form FTB 2416, Schedule of Included Controlled Foreign Corporations (CFC), to compute the net income and apportionment factors required to be included in the water's-edge combined report.

B Controlled Foreign Corporation

In general, a foreign corporation is a corporation that is not created or organized in the U.S. or under the laws of the U.S. or any state.

A CFC is any foreign corporation that is more than 50% owned or considered to be owned per IRC Section 958(b) by U.S. shareholders.

C Apportionment

For each CFC, the amounts included in income and the apportionment factors are determined by multiplying the total income and each component of the apportionment factors by a fraction. The numerator of the fraction is the current taxable year total Subpart F income defined in IRC Section 952 and the denominator is the current taxable year earnings and profits (E&P) as defined in IRC Section 964.

See R&TC Section 25110(a)(2) and the related regulations for more information.

Specific Instructions

Column (b) – Country of incorporation

Enter the country of incorporation in column (b). Use the list of country codes on form FTB 2416, Side 2.

Column (c) – Country of primary business activity

Enter the country in which the CFC conducts its primary trade or business in column (c). Use the list of country codes on form FTB 2416, Side 2. This country may be different from the country of incorporation.

Column (d) – Principal business activity (PBA) code

Enter the PBA code of the CFC. The PBA codes are listed on the Principal Business Activity Codes chart included in this booklet.

Column (e) – Subpart F income

In determining whether a CFC has Subpart F income, defined by IRC Section 952, for purposes of R&TC Section 25110(a)(2) and the regulations thereunder, the limitation and exclusions provided for in IRC Section 954(b) shall apply. However, IRC Section 952(c) shall not apply.

For these purposes, Subpart F income does not include income defined in IRC Sections 955 or 956.

Include both business and nonbusiness income as defined under R&TC Section 25120 for the current year.

If there is no Subpart F income, none of the income or factors of this CFC will be included in the water's-edge combined report. See *Fujitsu IT Holdings, Inc. vs. Franchise Tax Board* (2004) 120 Cal. App. 4th 459.

Column (f) – Current year earnings and profits

E&P, as defined in IRC Section 964, includes both business and nonbusiness income for the current taxable year. In most cases, the E&P can be taken from federal Form 5471, page 4, Schedule H, line 5d.

If there is no current E&P, stop. None of the income or factors of this CFC will be included in the water's-edge combined report.

Column (g) – Percentage

The percentage may not exceed 100% or be less than zero.

Column (h) – Net income

Report the total net income as reflected on the CFC's books and records, adjusted to conform to California tax law.

Column (i) – Net income included in the combined report

Enter total from column (i) on Form 100W, Side 1, line 7a.

Columns (j), (l), (n), and (p) – Apportionment factors

Determine the apportionment factors for the CFC to be included in the water's-edge combined report including:

- Total sales everywhere, if using the single-sales factor formula, or
- Total average property everywhere, rent expense everywhere, payroll everywhere, and sales everywhere, if using the three-factor formula.

Refer to the apportionment factor rules set forth in R&TC Sections 25128.7, 25128, and 25129 through 25137. See California Schedule R, Apportionment and Allocation of Income, for more information.