

Sam Lichtman in New York Times: U.S. Moves to Thwart Use of Foreign Inversions as Tax Dodge

By Sam Lichtman | April 5, 2016

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The Treasury Department took new steps on Monday to further curtail a popular type of merger in which an American company buys a foreign counterpart, then moves abroad to lower its tax bill.

The new rules, announced in conjunction with the Internal Revenue Service, take particular aim at foreign companies that have completed multiple deals with American companies in a short period, what the regulator calls “serial inverters.”

In pushing the new rules, its third effort in recent years, the Obama administration appears to have raised concern about the fate of the biggest inversion, Pfizer’s \$150 billion takeover of Allergan, a Dublin-based drug maker.

The rules would apply to that inversion and any transactions that close after Monday ...

Some legal specialists said that even the new earnings-stripping regulations will have a modest effect.

“There are already earnings stripping rules,” [Sam Lichtman](#), a partner at the law firm Haynes Boone, said in an interview. “This doesn’t really move the ball that much.”

Excerpted from The New York Times. To read the full article, [please click here](#).