



# Instructions for Form 1118

## (Revised July 1994)

### Foreign Tax Credit—Corporations

Section references are to the Internal Revenue Code unless otherwise noted.

**Paperwork Reduction Act Notice.**—We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

The time needed to complete and file this form and related schedules will vary depending on individual circumstances. The estimated average times are:

Form	Recordkeeping	Learning about the law or the form	Preparing and sending the form to the IRS
1118	71 hr., 45 min.	18 hr., 19 min.	22 hr., 42 min.
Sch. I (Form 1118)	8 hr., 51 min.	1 hr.	1 hr., 11 min.
Sch. J (Form 1118)	89 hr., 12 min.	1 hr., 5 min.	2 hr., 35 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form and related schedules more simple, we would be happy to hear from you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the instructions for the tax return with which this form is filed.

## Changes To Note

The Revenue Reconciliation Act of 1993 made several changes to the tax law for foreign tax credits. This included the following:

- Any income that is both foreign oil and gas extraction income and passive income will be treated as passive income under section 904(d)(2)(A). This income is included in the passive income separate limitation category on Form 1118.

In addition, foreign oil and gas extraction income and foreign oil related income (reported on Schedule I) does not include interest or dividend income that is passive income under section 904(d)(2)(A). However, dividends and interest received for which taxes are deemed paid under section 902 are oil and gas extraction or foreign oil related income if attributable to such income.

- In coordinating the foreign tax credit limitation rules of section 904 with the possessions tax credit rules of section 936, the taxable income used in figuring the foreign tax credit limitation does not include any income taken into account in figuring the possessions tax credit under section 936. For tax years beginning after December 31, 1993, this is computed without regard to sections 936(a)(4) and 936(i).

- For taxable years beginning after September 30, 1993, special rules apply in figuring increases in the credit limitation that is reported on **Schedule B**. If a qualifying U.S. shareholder receives an actual distribution of previously taxed income after September 30, 1993, the section 904 limitation is increased by the lesser of (1) the amount of the taxes paid, or deemed paid, or accrued for the distribution, or (2) the amount in an "excess limitation account" at the beginning of the tax year in which the distribution is received.

Any distribution will be considered first as from earnings for tax years beginning after September 30, 1993. Any excess will be from earnings for tax years beginning before October 1, 1993. A

foreign tax credit that is carried back to a tax year beginning after September 30, 1993, will also affect the excess limitation account. See section 960(b), as amended, for more information.

- The research expenditure allocation rules of section 864(f) are temporarily extended, except that the research expense automatically allocated and apportioned based on place of performance is 50% rather than 64%. This applies to the first tax year beginning before August 2, 1994, following the corporation's last year to which Rev. Proc. 92-56 applies. See **Temporary One-Year Apportionment Rule** in the instructions for Schedule H.

## General Instructions

### Purpose of Form

Corporations use Form 1118 to compute the foreign tax credit for each of several statutory categories of income. (See **Separate Limitation Categories** for descriptions.)

The corporation computes its separate limitation income or (loss) before adjustments on Schedule A. That income or (loss) is carried over to Schedule B, Part II, and is used to determine the foreign tax credit limitation.

**Note:** A separate Schedule A; Schedule B, Parts I & II; Schedules C through G; and Schedule I are completed for **each** applicable separate limitation. Schedule B, Part III; Schedule H; and Schedule J are completed **only once**.

### Who Must File

Any corporation that elects the benefits of the foreign tax credit under section 901 must attach Form 1118 to its income tax return.

**Important:** For any tax year that a corporation elects the benefits of the foreign tax credit to any extent, that corporation is not permitted to claim a deduction (in the current tax year or in any subsequent tax year) for any portion of the foreign taxes paid or accrued during that tax

year. See **No Deduction If a Credit Is Claimed** on page 3 for more information.

**Note:** A regulated investment company that has made an election under section 853 cannot claim the foreign tax credit (or take a deduction) for foreign taxes paid.

## Computer-Generated Form 1118

The corporation may submit a computer-generated Form 1118 and schedules if they conform to the IRS version. However, if a software program is used, it must be approved by the IRS for use in filing substitute forms. This ensures the proper placement of each item appearing on the IRS version. For more information, get **Pub. 1167**, Substitute Printed, Computer-Prepared and Computer-Generated Tax Forms and Schedules.

## Separate Limitation Categories

### Passive Income

Generally, passive income is:

- Any income received or accrued that would be foreign personal holding company income (section 954(c)) if the corporation was a controlled foreign corporation (CFC) (section 957), including any gain on the sale or exchange of stock which is more than the amount treated as a dividend under section 1248. However, in determining if any income would be foreign personal holding company income, the rules of section 864(d)(6) will apply only for income of a CFC;

- Any amount includible in gross income under sections 551 and 1293 (which relate to foreign personal holding companies and certain passive foreign investment companies); and

- Interest and dividends that are otherwise passive income, although foreign oil related or from foreign oil and gas extraction (section 907(c)).

Passive income does **NOT** include:

- Any income that belongs in one of the other separate limitation categories described below;
- Any export financing interest unless it is also related person factoring income (under section 904(d)(2)(G) and Regulations section 1.904-4(h)(3));
- Any high-taxed income (see **General Limitation Income** on page 2); or
- Any active rents or royalties. See Regulations section 1.904-4(b)(2) for definitions and exceptions.

**Note:** Certain income received from a CFC that would otherwise be passive income may be assigned to another separate category under the look-through rules. See **Look-Through Rules** on page 2.

### High Withholding Tax Interest

High withholding tax interest is any interest subject to a withholding tax or other gross basis tax of a foreign country or U.S. possession at a rate of 5% or more.

High withholding tax interest does **not** include export financing interest (section 904(d)(2)(B)(ii)).

### Financial Services Income

Financial services income is income received or accrued while the corporation was a financial services entity if the income is:

- Described in section 904(d)(2)(C)(ii);
- Passive income (determined without regard to section 904(d)(2)(A)(iii)(I)); or
- Export financing interest (section 904(d)(2)(G)).

Financial services income does **NOT** include:

- Any high withholding tax interest;
- Any dividend from a noncontrolled section 902 corporation; or
- Any export financing interest not described in section 904(d)(2)(C)(i)(III).

**Note:** If the corporation qualified as a financial services entity because it treated certain amounts as active financing income that are not listed in Regulations sections 1.904-4(e)(2)(i)(A) through (X), but that are described as similar items in Regulations section 1.904-4(e)(2)(i)(Y), attach a statement to Form 1118 showing the types and amounts of the similar items.

## Shipping Income

Shipping income is any income the corporation receives or accrues that is foreign base company shipping income (section 954(f)).

Shipping income does **NOT** include:

- Any dividend from a noncontrolled section 902 corporation;
- Any financial services income;
- Any high withholding tax interest; or
- Interest and dividends that are foreign personal holding company income.

## Dividends From EACH Noncontrolled Section 902 Corporation

A noncontrolled section 902 corporation is any foreign corporation in which the corporation meets the stock ownership requirements of section 902(a) (or, in applying section 904(d)(3), the requirements of section 902(b)). A CFC is not treated as a noncontrolled section 902 corporation for any distribution out of its earnings and profits (E&P) for periods it was a CFC, and except as provided in regulations, the filing corporation was a U.S. shareholder in the CFC.

See section 904(d)(2)(E)(ii) for a special rule for taxes on high withholding tax interest of the noncontrolled section 902 corporation.

## Dividends From a DISC or Former DISC

This category includes dividends from a DISC or former DISC (section 992(a)) that are treated as income from sources outside the United States.

## Taxable Income Attributable to Foreign Trade Income

This category includes taxable foreign trade income within the meaning of section 923(b).

## Certain Distributions From a FSC or Former FSC

Include in this category distributions of E&P from foreign trade income of a FSC (or former FSC). Also include interest or carrying charges from a transaction that results in foreign trade income.

## General Limitation Income

This category includes all income not described above. Be sure to include high-taxed income that would otherwise be passive income. Usually, income is high-taxed if the total foreign income taxes paid, accrued, or deemed paid by the taxpayer for that income exceed the highest rate of tax specified in section 1 or 11, whichever applies (and with reference to section 15, if applicable), multiplied by the amount of such income (including the amount treated as a dividend under section 78).

## Look-Through Rules

In most cases, any dividends, interest, rents, and royalties received or accrued from a CFC in

which the filing corporation is a U.S. shareholder is general limitation income under section 904(d)(1)(I). However, the following exceptions apply:

1. Subpart F inclusions (which are included in income under section 951(a)(1)(A)), attributable to income in a separate category;
2. Interest, rents, and royalties, properly allocable to income of the CFC in such category; and
3. Dividends paid out of the E&P of the CFC, in proportion to the ratio of E&P from income in that category to the total amount of E&P.

See section 904(d)(3) and Regulations section 1.904-5.

## Separate Limitation Income or (Loss) Before Adjustments

Determine the separate limitation income or (loss) before adjustments on Schedule A using the following rules, as applicable: (a) the general source rules of sections 861 through 864 (and related regulations) outlined below; (b) the specific source rules of section 904(g) described below; and (c) any applicable source rules contained in any applicable tax treaties.

### General Source Rules

See section 861 for gross income items that are treated as U.S. sourced. See section 862 for gross income items that are treated as foreign sourced. See section 863 for the allocation or apportionment of gross income items not listed in either section 861 or 862 (including income partly from within and partly from without the United States). See section 864 for special rules for the treatment of effectively connected income, related person factoring income, and the allocation and apportionment of interest and other expenses.

**Note:** The basic rules for allocating and apportioning interest expense, research and development (R&D) deductions, and other expenses are described in detail in **Specific Instructions, Schedule H**.

### Specific Source Rules

Usually, the following income from a U.S.-owned foreign corporation, which is otherwise treated as U.S. source income (section 904(g)):

1. Any subpart F income, foreign personal holding company income, or income from a qualified electing fund that a U.S. shareholder is required to include in its gross income, if such amount is attributable to the U.S.-owned foreign corporation's U.S. source income;
2. Interest that is properly allocable to the U.S.-owned foreign corporation's U.S. source income; and

3. Dividends equal to the U.S. source ratio (defined in section 904(g)(4)(B)).

**Exception.** The rules regarding interest and dividends described in 2 and 3 above do not apply to a U.S.-owned foreign corporation that has less than 10% of its E&P for the tax year from U.S. sources.

### Capital Gains

The separate limitation income or (loss) before adjustments should generally include gain from the sale or exchange of capital assets only up to the amount of foreign source capital gain net income (which is the smaller of capital gain net income from sources outside the United States or capital gain net income). Therefore, if the corporation has capital gain net income from sources outside the United States in excess of the capital gain net income reported on its tax

return, enter the excess on Schedule A, column 9d as a negative number.

**Note:** See section 904(b)(2)(B) for special rules regarding capital gain rate differential (as defined in section 904(b)(3)(D)) for any tax year. At the time these instructions went to print, there was no capital gain rate differential.

## Coordination With Section 936

In computing the foreign tax credit limitation, exclude from taxable income any income taken into account in computing the possessions corporation tax credit under section 936 (without regard to sections 936(a)(4) and 936(i)).

## Foreign Tax Credit Limitations

A foreign tax credit is computed separately for each limitation category. Each credit is limited by section 904. Each limit is computed as follows:

1. Divide the separate limitation income (computed on Schedule A, adjusted on Schedule J (if applicable), and then entered on Schedule B, Part II, line 6) by the taxable income from all sources (computed on Schedule B, Part II, lines 7a through 7c).

**Note:** This limitation fraction may not exceed "1.00000."

2. Multiply the result in 1 above by the total U.S. income tax against which the credit is allowed (see the instructions for Schedule B, Part II, line 9).

The limitation may be increased for any tax year during which the corporation received a distribution of previously taxed E&P. See the instructions for Schedule B, Part II, line 10.

## Taxes for Which Credit May Be Claimed

In most cases, a domestic corporation can claim a foreign tax credit (subject to the limitation of section 904) for any income, war profits, and excess profits taxes (defined in Regulations section 1.901-2) paid or accrued during the tax year to any foreign country or U.S. possession, and for taxes deemed paid under sections 902 and 960. (For these purposes, foreign taxes for which credit may be claimed also includes taxes paid in lieu of income taxes as described in section 903 and the related regulations.) However, **no** credits are allowed for the following items:

- Certain payments for oil and gas (section 901(f))\*;
- Certain taxes paid on distributions from possessions corporations (section 901(g))\*;
- Taxes paid on foreign trade income (section 901(h));
- Certain taxes used to provide subsidies (section 901(i))\*;
- Taxes paid or accrued (or deemed paid under section 902 or section 960) to any section 901(j) foreign country (see **Specific Instructions, Schedule G, Part I** for list);
- Taxes paid or accrued to any foreign country or U.S. possession if the corporation elects to deduct the taxes (Regulations section 1.901-1(h)(2));
- Taxes that were reduced under section 907(a)\*;
- Certain foreign taxes on foreign oil related income (section 907(b));
- Taxes paid or accrued to a foreign country or U.S. possession on taxable income that is taken into account in computing the possessions corporation tax credit described in section 936\*;
- Taxes attributable to income excluded under section 814(a) (relating to contiguous country

branches of domestic life insurance companies)\*; and

- Taxes for which the corporation elects instead to claim a credit under the terms of an applicable tax treaty.

(Items marked with an asterisk (\*) are not eligible for deduction even if the foreign tax credit is not claimed.)

In addition to the above-listed items, some foreign taxes that are otherwise eligible for the foreign tax credit must be reduced using the rules outlined under **Schedule G**. These include certain gross basis foreign taxes described in the special rule of Regulations section 1.904-4(g)(2)(iii) for dividends from a noncontrolled section 902 corporation out of E&P attributable to high withholding tax interest.

### Carryback and Carryover of Excess Foreign Taxes

The allowable foreign taxes paid, accrued, or deemed paid in a tax year in excess of the foreign tax credit limitation for that tax year may be carried back 2 years and then forward 5 years. Apply the excess first to the earliest of the 7 years to which it may be carried, then to the next earliest year, etc. See section 904(c) and Regulations section 1.904-2 for more details.

If the corporation did not take a credit in one of the 7 tax years to which the excess may be carried, the excess is considered used in that year as though the credit had been claimed.

For each earlier tax year to which the corporation is carrying back the excess foreign tax credit, file an amended tax return with a revised Form 1118. For any tax year to which the corporation is carrying back or carrying forward the excess foreign tax credit, attach the statement described in Regulations section 1.904-2(f).

Special rules apply to the carryback and carryover of foreign taxes paid or accrued on foreign oil and gas extractions or related taxes. See section 907(f).

If an excess foreign tax credit is carried to a tax year beginning after September 30, 1993, and the excess limitation account was established under section 960(b), special rules apply. See section 960(b).

### Definition of Foreign Corporation for Purposes of the Deemed Paid Credit

In computing the deemed paid credit on Schedules C, D, and E, the term "foreign corporation" includes: (1) a DISC or former DISC, but only for dividends from the DISC or former DISC that are treated as income from sources outside the United States; and (2) a contiguous country life insurance branch that has made an election to be treated as a foreign corporation under section 814(g).

### Foreign Corporations Claiming Foreign Tax Credit

Foreign corporations are allowed a foreign tax credit for income, war profits, and excess profits taxes paid or accrued (or deemed paid or accrued under section 902) to any foreign country or U.S. possession for income effectively connected with the conduct of a trade or business within the United States. The credit is not applicable, however, if a foreign country or U.S. possession imposes the tax on income from U.S. sources solely because the foreign corporation was created or organized under the law of the foreign country or U.S. possession or is domiciled there for tax purposes.

The credit cannot be taken against any tax imposed on income not effectively connected with a U.S. business.

In computing the foreign tax credit limitation, the foreign corporation's taxable income includes only the taxable income that is effectively connected with the conduct of a trade or business within the United States (section 906(b)(2)).

A foreign corporation claiming a foreign tax credit will be treated as a domestic corporation for tax deemed paid (section 902(a)) and dividend gross-up (section 78).

### No Deduction If a Credit Is Claimed

If a corporation elects for any tax year the benefits of the foreign tax credit to any extent, the election will apply to income, war profits, and excess profits taxes paid or accrued in the tax year to all foreign countries and U.S. possessions. No portion of the tax will be allowed as a deduction in the tax year or any succeeding tax year. (Regulations section 1.901-1(c)).

**Exceptions.** Even though the corporation claims the foreign tax credit, it may still take a deduction for those foreign taxes for which the credit was denied because of the boycott provisions (see section 908(b)) and because of the application of section 901(j) (see section 901(j)(3)). Also, see section 907(b) concerning the deduction of certain foreign oil and gas extraction taxes.

The election for any tax year may be made or changed at any time before the end of the special 10-year period prescribed by Regulations section 1.901-1(d).

### Proof of Credits

Attach the following substantiation to Form 1118: (a) a schedule showing the amounts of foreign taxes paid or accrued in foreign currency and the conversion rate(s) used in arriving at the U.S. dollar amounts entered in Schedule B, Part I, column 2; and (b) a statement identifying any foreign taxes paid or accrued that resulted from an audit adjustment made by a foreign taxing authority.

If the corporation claims a foreign tax credit for tax accrued but not paid, the IRS may require a bond to be furnished on **Form 1117**, Income Tax Surety Bond, before the credit is allowed. (Regulations section 1.905-2(d)).

The requirements of section 905(b) (and the related regulations) were eased by Notice 88-65, 1988-1 C.B. 552, which suspended all but the first sentence of Regulations section 1.905-2(a)(2) and all of Regulations section 1.905-2(b).

**Caution:** *The suspension of the regulations means that, until further notice, the documentation previously required by the regulations need not be submitted when the return is filed. Foreign tax credits must still be substantiated with proper documentation that must be available for examination on request. (See Rev. Rul. 67-308, 1967-2 C.B. 254.)*

### Foreign Tax Redeterminations

A foreign tax redetermination is a change in the foreign tax liability that may affect the foreign tax credit. Some examples are:

1. A refund of foreign taxes paid;
2. A difference between the dollar value of the accrued foreign tax and the dollar value of the foreign tax actually paid because of differences in the units of foreign currency paid and the units of foreign currency accrued; or
3. A difference between the dollar value of the accrued foreign tax and the dollar value of the foreign tax actually paid because of fluctuations in the value of the foreign currency relative to

the dollar between the date of accrual and the date of payment.

### Notification Requirements

As the result of a foreign tax redetermination, the corporation may be required (under Temporary Regulations section 1.905-3T) to redetermine its U.S. tax liability. If so, file **Form 1120X**, Amended U.S. Corporation Income Tax Return, and Form 1118 with the service center where the corporation filed the tax return on which it claimed the foreign tax credit to which the notice relates. Give the following notification to the IRS:

**Identifying information.**—Identifying information includes the corporation's name, address, EIN, and the tax year or years that are affected by the redetermination of its U.S. tax liability.

#### Foreign taxes paid or accrued (by the corporation or on its behalf).—

1. Basic information includes:

- a. The dates on which the foreign taxes were paid;
- b. The rate of exchange on each date the foreign taxes were paid; and
- c. The amount of foreign taxes paid on each such date (in foreign currency).

2. Additional information needed in cases where the redetermination is caused by:

- a. A refund of foreign tax: The amount of foreign taxes refunded (in foreign currency).
- b. Foreign taxes when paid that differ from the accrued amounts claimed as credits because of fluctuation in the value of the foreign currency in which the foreign taxes were paid: (i) the dates on which the foreign taxes were accrued; (ii) the rate of exchange on each date the foreign taxes were accrued; and (iii) the amount of foreign taxes accrued on each such date (in foreign currency).

c. Foreign taxes when paid that differ from accrued amounts claimed as credits because the corporation was assessed additional or less foreign tax: (i) the original amounts and information described in **2b** above; (ii) the amount of additional or reduced foreign tax (in foreign currency); and (iii) the revised amounts and information described in **2b** above.

#### Foreign taxes deemed paid or accrued under section 902 or section 960.—

1. Basic information includes:

- a. The dates and amounts of any dividend distributions or other inclusions from E&P for the affected year or years; and
- b. The information described above, as applicable.

2. Additional information needed in the case of a redetermination:

- a. If the corporation has a foreign tax adjustment that exceeds 2% (Temporary Regulations section 1.905-3T(d)(4)(ii)), include a complete factual description justifying the reasons for overaccrual of foreign tax;
- b. For which pool adjustments and notification were required (Temporary Regulations sections 1.905-3T(d)(2)(ii)(B) and (C) and 1.905-3T(d)(2)(iii)), include a complete factual description justifying the reasons for the failure to attach the required notification or make the required adjustments.

### Redetermination of U.S. Tax Liability NOT Required

If a foreign tax redetermination occurred for foreign taxes deemed paid under section 902 or section 960 and the corporation is not required to redetermine its U.S. tax liability, adjust the appropriate pool of foreign taxes and E&P using

the rules outlined in Temporary Regulations section 1.905-3T(d)(2)(ii).

If an adjustment to the appropriate pool of foreign taxes and E&P is required, attach a notice of the adjustment to the tax return for the tax year during which the foreign tax redetermination occurs. Provide the following information: (a) the corporation's name and EIN; (b) the foreign corporation's name, address, and EIN (if any); (c) the amount of any refunds of foreign taxes and the exchange rate as of the time of original payment of the refunded foreign taxes; (d) the amounts of unrefunded foreign taxes when paid and when accrued in foreign currency, the exchange rate for the accrual and payment dates of unrefunded foreign taxes, and the dollar amounts of unrefunded foreign taxes paid and accrued; and (e) the current balances of the pools of E&P and foreign taxes before and after the foreign tax redetermination.

If the corporation fails to attach the required notice, to provide the necessary information, or to make the required adjustments, it must provide notification of the foreign tax redetermination under Temporary Regulations section 1.905-4T. The IRS may, in its discretion, make a redetermination of the corporation's U.S. tax liability and apply the interest provisions of section 6601 and the penalty provisions of section 6689.

**Note:** Temporary Regulations section 1.905-3T(d)(2)(ii)(A) has been suspended, as well as that portion of Regulations section 1.905-3T(d)(2)(ii)(C) that refers to Regulations section 1.905-3T(d)(2)(ii)(A). These suspensions are effective for taxes deemed paid or accrued for E&P of a foreign corporation accumulated in tax years beginning after December 31, 1986.

Until final regulations are issued under section 905(c), redeterminations otherwise subject to those regulations sections must be accounted for through adjustment to the appropriate pools of E&P and foreign taxes as described in Temporary Regulations section 1.905-3T(d)(3) and subject to the exceptions in Temporary Regulations section 1.905-3T(d)(4). See Notice 90-26, 1990-1 C.B. 336, for details.

## Interest and Penalties

In most cases, interest is computed on the deficiency or overpayment that resulted from the foreign tax redetermination (sections 6601 and 6611 and the regulations thereunder). See Temporary Regulations section 1.905-4T(c) for additional information.

If the corporation does not comply with the notification requirements (discussed above) within the time for filing specified, the penalty provisions of section 6689 (and the related regulations) will apply.

## Treaty-Based Return Positions

Corporations that adopt a return position that any U.S. treaty overrides or modifies any provision of the Internal Revenue Code, and causes (or potentially causes) a reduction of any tax incurred at any time, generally must disclose this position on Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or Section 7701(b). Attach Form 8833 to Form 1118. See section 6114 and Regulations section 301.6114-1 for details.

Failure to make such a report may result in a \$10,000 penalty.

## Specific Instructions

**Note:** Report all amounts in U.S. dollars unless otherwise specified. If it is necessary to convert from a foreign currency, attach a statement

explaining how the conversion rate was determined.

Use a separate Form 1118 to compute the foreign taxes paid or accrued for each separate limitation. See **Separate Limitation Categories** on page 1 for descriptions.

**Note:** If the corporation has dividends from more than one noncontrolled section 902 corporation, complete a separate Form 1118 for dividends received from each of those corporations. Each separate form must identify the name and country of incorporation of each noncontrolled section 902 corporation in the space provided. Also complete part of an additional Form 1118 that shows the totals of all the separate Forms 1118 for each noncontrolled section 902 corporation. On this summary form, enter the word "Aggregate" in the space provided for "Name of Foreign Corporation" and complete Schedule A and Schedule B, Part I.

## Schedule A

In columns 2 through 7, report the gross income or (loss) from sources outside the United States for the applicable separate limitation. In columns 9 and 10, report the deductions applicable to gross income reported in columns 2 through 7. Be sure to **INCLUDE** in columns 2 through 7 and columns 9 and 10 the gross income and deductions that pertain to foreign branches and to the activities described in section 863(b).

See **Separate Limitation Income or (Loss) Before Adjustments** on page 2 for general rules.

**Column 1.**—Enter the two-letter codes (from page 8) of all foreign countries and U.S. possessions within which income is sourced and/or to which taxes were paid, accrued, or deemed paid.

**Column 2(a).**—Include the following types of deemed dividends (before applying the gross-up rules of section 78) that are attributable to income in the applicable separate limitation:

1. If the corporation is a U.S. shareholder in a CFC, report all income deemed received under section 951(a)(1)(A) (see section 904(d)(3) and **Look-Through Rules** on page 2 for more information); and
2. If the corporation is a U.S. shareholder in a Passive Foreign Investment Company (PFIC) and receives distributions from stock in that PFIC, report all income deemed received under section 1291.

**Column 3(a).**—Report all other dividends (before gross-up) not included in column 2(a) from sources outside the United States from the applicable separate limitation.

**Note:** All dividends from a domestic corporation are of U.S. source, including dividends from a domestic corporation deriving 80% or more of its gross income from sources outside the United States.

**Columns 2(b) and 3(b).**—Taxes deemed paid by a domestic corporation under section 902 or section 960 for distributions by a foreign corporation must be included in income as dividend gross-up. (See Regulations section 1.960-3(b) for exceptions.)

**Column 4.**—Enter all interest received from foreign sources. See section 861(c) for the treatment of interest from a domestic corporation that meets the foreign business requirement.

**Column 6.**—Include gross income, including compensation, commissions, fees, etc., for technical, managerial, engineering, construction, scientific, or similar services outside the United

States. **INCLUDE** gross income from services performed through a foreign branch.

**Column 7.**—Include all other gross income from sources outside the United States for the applicable separate limitation. **INCLUDE** all other gross income of foreign branches and all other gross income to which the rules of section 863(b) apply. Attach a schedule identifying the gross income by type and by the foreign country or U.S. possession from which it was sourced.

**Column 9(d).**—Include all other deductions definitely allocable to income from sources outside the United States (dividends, interest, etc.) for the applicable separate limitation.

**INCLUDE** deductions allocable to income of foreign branches and section 863(b) income.

Include any reduction of foreign source net capital gain (see **Capital Gains** on page 2).

**Column 10.**—Enter only the apportioned share from Schedule H, Part II, Column (d) that relates to gross income reported in columns 2 through 7.

## Schedule B

### Part I—Foreign Taxes Paid, Accrued, and Deemed Paid

Report only foreign taxes paid, accrued, or deemed paid for the separate limitation category for which this Form 1118 is being completed.

**Column 1.**—Claim the foreign tax credit for the tax year in which the taxes were paid or accrued, depending on the method of accounting used. However, if the cash method of accounting is used, an election under section 905(a) can be made to claim the credit based on accrued taxes. If this election is made, figure the foreign tax credit for all subsequent tax years on the same basis, and the credits are subject to the redetermination provisions of section 905(c).

If a credit for taxes accrued is claimed, show both the date accrued and the date paid (if paid).

**Columns 2(a) through 2(h).**—Report all foreign tax amounts in U.S. dollars. If amounts were converted from foreign currency, attach a schedule showing in detail how the conversion rates were determined. See **Proof of Credits** on page 3 for other requirements.

Include in column 2(d) foreign taxes paid or accrued on foreign branch taxable income to which the rules of section 863(b) apply.

**Note:** Do not include these overlapping amounts in column 2(e).

### Part II—Separate Limitation Foreign Tax Credit

**Line 6.**—See the instructions for **Schedule J** to determine if that schedule must be filed.

**Line 7b.**—Enter taxable income that should not be taken into account in computing the foreign tax credit limitation. For example, enter the income taken into account in computing the possessions corporation tax credit under section 936 (without regard to sections 936(a)(4) and 936(i)).

**Line 9.**—The foreign tax credit is allowed against regular tax liability minus the possessions corporation tax credit determined under section 936. For a Form 1120 filer, this would be Schedule J, line 3, less Schedule J, line 4b.

**Line 10.**—The limitation may be increased under section 960(b) for any tax year that the corporation receives a distribution of previously taxed E&P. For tax years beginning after September 30, 1993, if the corporation is a shareholder in a CFC, see section 960(b) for

rules regarding the computation of the increase in the limitation. For tax years beginning on or before September 30, 1993, see Regulations section 1.960-4.

### Part III—Summary of Separate Limitation Foreign Tax Credits From Schedule B, Part II of Separate Forms 1118

Complete Schedule B, Part III only once. Enter on lines 1 through 9 the credits from Schedule B, Part II, line 11 of each separate Form 1118.

**Line 11.**—See instructions for **Schedule G, Line D.**

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## Schedule C

### Part I—Distributions From Post-1986 Earnings and Profits

**Column 2.**—Enter the applicable two-digit foreign country and U.S. possession codes from page 8.

**Column 3.**—Enter the foreign corporation's post-1986 undistributed E&P. This is the foreign corporation's E&P (computed according to sections 964(a) and 986) accumulated in tax years beginning after 1986: (a) as of the close of the tax year of the foreign corporation in which the dividend is distributed, or deemed distributed under section 367(b), 951(a), 1248, or 1293, and (b) without reduction for dividends distributed or deemed distributed during that tax year.

**Note:** Report all amounts in the corporation's functional currency as defined in section 985(b).

**Column 4.**—Enter the corporation's post-1986 foreign income taxes. This amount is the sum of: (a) the foreign income taxes for the tax year of the foreign corporation in which the dividend is distributed or deemed distributed, and (b) the foreign income taxes for prior tax years beginning after 1986, if such foreign taxes were not deemed paid for dividends distributed or deemed distributed by the foreign corporation in prior tax years.

**Note:** Report all amounts in U.S. dollars using the exchange rate rules specified in section 986(a).

**Column 7a.**—Report all dividends paid or deemed paid in the corporation's functional currency.

**Column 7b.**—Report the column 7a amount translated into U.S. dollars at the appropriate exchange rate (as defined in section 989(b)). If the functional currency is the U.S. dollar, do not complete column 7b.

### Part II—Distributions From Pre-1987 Earnings and Profits

**Column 2.**—If the dividends are from the accumulated E&P of more than one tax year, figure and show the tax deemed to have been paid on a separate line for each tax year. Enter for each tax year the year and month in which the tax year ended. For example, when figuring deemed paid taxes for distributions from a tax year that ended June 30, 1986, enter "8606."

**Column 3.**—Enter the applicable two-digit foreign country and U.S. possession codes from page 8.

**Column 4.**—For each line, enter the E&P for the tax year indicated in column 2.

**Note:** Translate foreign currency amounts to U.S. dollars using the applicable pre-1987 rules.

**Column 5.**—Enter the foreign taxes paid or accrued on the E&P entered in column 4 for the tax year indicated in column 2. See **Schedule G,**

**Part II** for information on reduction of foreign taxes for failure to furnish information required under section 6038.

**Column 8.**—Enter the dividends:

(a) paid or constructively distributed by the related foreign corporation; and (b) paid or deemed distributed by the DISC or former DISC to the domestic corporation.

In applying section 902, the IRS may determine from which tax year's accumulated profits the dividends were paid.

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## Schedule D

### Part I—Distributions From Post-1986 Earnings and Profits

**Columns 2, 3, 4, 7a, and 7b.**—Follow the instructions for the corresponding columns of Schedule C, Part I.

### Part II—Distributions From Pre-1987 Earnings and Profits

**Columns 2, 3, 4, 5, and 8.**—Follow the instructions for the corresponding columns of Schedule C, Part II.

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## Schedule E

### Part I—Distributions From Post-1986 Earnings and Profits

**Columns 2, 3, and 4.**—Follow the instructions for the corresponding columns of Schedule C, Part I.

**Columns 5a and 5b.**—Follow the instructions for columns 7a and 7b, Schedule C, Part I.

### Part II—Distributions From Pre-1987 Earnings and Profits

**Columns 2, 3, 4, and 5.**—Follow the instructions for the corresponding columns of Schedule C, Part II.

**Column 6.**—Follow the instructions for Schedule C, Part II, column 8.

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## Schedule F

Complete this schedule for **each** applicable separate limitation.

**Note:** Include foreign branch income and deductions to which the rules of section 863(b) apply in Part I (**not** in Part II).

### Part I—Section 863(b)

Special rules apply in figuring taxable income from sources outside the United States for gross income derived partly within and partly outside the United States. Enter the gross income and definitely allocable deductions for each foreign country as indicated.

### Part II—Foreign Branches

Enter the gross income and definitely allocable deductions for each foreign country as indicated. Include, for each foreign branch, an income statement, balance sheet, and schedule of midyear remittances.

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## Schedule G

Complete this schedule for **each** applicable separate limitation.

## Part I—Reduction of Taxes Under Section 901(j)

Taxes paid to certain sanctioned countries (as described in section 901(j)) may not be used in computing the foreign tax credit. As of the date these instructions were revised, applicable countries are: Afghanistan, Cambodia, Cuba, Iran, Iraq, Libya, North Korea, Sudan, Syria, and Vietnam. See Notice 88-47, 1988-1 C.B. 530, for a special rule for Panama.

**Note:** If the corporation paid taxes to a country that ceased to be described in section 901(j) during the tax year, see Rev. Rul. 92-62, 1992-2 C.B. 193, for details on how to figure the foreign tax credit for the period that begins after the end of the sanctioned period.

**Column 2.**—Enter the taxable income or (loss) for each foreign country as indicated.

**Note:** Be sure to include all taxable income (and not just dividends).

**Column 3.**—Enter the foreign income tax paid, accrued, or deemed paid for each foreign country as indicated.

### Part II—Summary of Reductions of Taxes Paid, Accrued, or Deemed Paid

**Line A.**—Any income, war profits, and excess profits taxes paid or accrued, or deemed paid during the tax year to any foreign country or U.S. possession on foreign mineral income (as defined in section 901(e)(2)) from sources within that country or possession must be reduced by the smaller of:

- Those foreign taxes minus the U.S. Chapter 1 tax on that foreign mineral income, or
- The U.S. Chapter 1 tax on that foreign mineral income determined without regard to the deduction for percentage depletion under section 613, minus the U.S. Chapter 1 tax on that foreign mineral income. The reduction must be made on a country-by-country basis (Regulations section 1.901-3(a)(1)).

This reduction applies only if a deduction for percentage depletion under section 613 was allowed for any part of the corporation's foreign mineral income. Attach a separate schedule showing the computation of the reduction of tax.

**Line D.**—If a person, or a member of a controlled group (as defined in section 993(a)(3)) that includes that person, agrees to participate in, or cooperate with, an international boycott, that person must file **Form 5713**, International Boycott Report. That person's foreign tax credit is affected as follows:

1. If the taxes specifically attributable to boycott operations can be determined, reduce the total taxes available for the foreign tax credit by entering these amounts from Form 5713, Schedule C, line 2b on Form 1118, Schedule G, Part II, Line D.

2. If the taxes specifically attributable to boycott operations cannot be determined, multiply the credit otherwise allowable by the international boycott factor (Form 5713, Schedule A, line 3) and enter the result on Form 1118, Schedule B, Part III, line 11.

For additional information, see Form 5713 and its separate instructions.

**Line E.**—Any domestic corporation that fails to furnish any return or any information in any return required under section 6038 by the due date is subject to a 10% reduction of the foreign taxes available for credit under sections 901, 902, and 960. If the failure continues for 90 days or more after the date of written notice by the IRS, an additional 5% reduction is made for each 3-month period or fraction thereof during

which the failure continues after the 90-day period has expired.

A \$1,000 penalty is also imposed for failing to supply the information for each CFC within the time prescribed under section 6038. Additionally, if the required information is not submitted within 90 days after the IRS has mailed notice to the U.S. person, an additional \$1,000 penalty (per corporation) is charged for every 30 days that the information is not submitted. The increase in any penalty under section 6038(b)(2) may not exceed \$24,000. See section 6038(c)(3) for rules coordinating these penalties.

**Line F.**—Include on this line the reduction for withholding in excess of 5% for noncontrolled section 902 corporations and the reduction for foreign taxes on foreign oil related income of section 907(b).

## Schedule H

Use Schedule H to apportion deductions that cannot be definitely allocated to some item or class of gross income. The results of the schedule are used to figure foreign source taxable income on Schedule A, which is used to figure the foreign tax credit limitation on Schedule B.

### Temporary One-Year Apportionment Rules

If Schedule H is completed for the first tax year beginning before August 2, 1994, following the last tax year to which Rev. Proc. 92-56 applies (or would have applied if the corporation elected the benefits), the rules contained in section 864(f) will be substituted for the rules described below in completing the schedule for qualified research and experimental expenditures. Generally, the rules in section 864(f) modify the rules described in the instructions for line 2, columns (a)(ii) and (a)(iv) (including a substitution of "50%" for "30%"). Use these rules for both the column (a) sales method and the column (b) gross income methods.

### Computer-Generated Schedule H

Computer-generated Schedules H may be filed if they conform to the IRS version. For example, if the corporation has more than two product lines (under the sales method of apportioning R&D deductions) **OR** if it has received dividends from more than two noncontrolled section 902 corporations, expand the Schedule H to properly apportion deductions.

## Part I—Research and Development Deductions

### Column (a) Sales Method

Complete these columns only if the corporation elects the sales method of apportioning research and development (R&D) deductions described in Regulations section 1.861-8(e)(3)(ii). Under this method, R&D deductions are generally considered definitely related to all gross income reasonably connected with one or more of the 32 product categories based on the Standard Industrial Classification (SIC) system (rather than the income generated by the particular product that benefited from the research activity). Enter in the spaces provided the two-digit SIC Code numbers of the product lines to which the R&D deductions related. (See Regulations section 1.861-8(e)(3) for more information on SIC Codes.)

**Note:** If the corporation has more than two product lines, see **Computer-Generated Schedule H** above.

### Columns (a)(i) and (a)(ii)

**Line 1.**—Enter the worldwide gross sales for the product lines.

**Lines 3a through 3h.**—Enter the gross sales that resulted in gross income for each statutory grouping.

**Line 4.**—Add lines 3a through 3h.

**Note:** *This total should be less than the total sales on line 1 because this line 4 total does not include the gross sales that cause gross income in the residual grouping.*

### Columns (a)(ii) and (a)(iv)

**Line 1.**—Enter the total R&D deductions connected with the product lines.

**Line 2.**—To get the line 2 amounts, first reduce the line 1 totals by the rules outlined in Regulations section 1.861-8(e)(3)(i)(B). These rules consider that the corporation will sometimes undertake R&D solely to meet legal requirements imposed by a particular political entity for improvement or marketing of specific products or processes **AND** the corporation would not reasonably expect the results of that research to generate gross income (beyond de minimis amounts) outside a single geographic source.

Then, further reduce the line 1 totals by the exclusive apportionment rules (Regulations section 1.861-8(e)(3)(ii)(A)). Under these rules, 30% of the R&D deductions are apportioned exclusively to the statutory grouping of gross income or the residual grouping of gross income, as the case may be, from the geographic source where the R&D activities which account for more than 50% of the amount of such deduction were performed. If the 50% test is **not** met, then no part of the deduction is apportioned under these rules.

**Lines 3a through 3h.**—To figure the amount of R&D deductions to apportion to each statutory grouping, divide the gross sales apportioned to the statutory grouping by the worldwide gross sales for the product line. Multiply the result by the R&D deductions to be apportioned.

**Note:** If the corporation received dividends from more than one noncontrolled section 902 corporation, see **Computer-Generated Schedule H** above.

To determine the amount to enter on line 3a, column (a)(ii):

1. Divide the amount on line 3a, column (a)(i) by the amount on line 1, column (a)(i); and
2. Multiply the result by the amount on line 2, column (a)(ii).

To determine the amount to enter on line 3b, column (a)(iv):

1. Divide the amount on line 3b, column (a)(iii) by the amount on line 1, column (a)(iii); and
2. Multiply the result by the amount on line 2, column (a)(iv).

**Line 4.**—Add lines 3a through 3h.

**Note:** *This total will generally be less than the total R&D deductions on line 2 because this line 4 total does not include the R&D deductions that are implicitly apportioned to the residual grouping.*

### Column (b) Gross Income Methods

Complete these columns only if the corporation elects one of the gross income methods of apportioning R&D deductions described in Regulations section 1.861-8(e)(3)(iii). Check the Option 1 box if the option described in Regulations section 1.861-8(e)(3)(iii)(A) is used. Check the Option 2 box if the option described in Regulations section 1.861-8(e)(3)(iii)(B) is used.

### Column (b)(vi)

**Line 1.**—Enter the total gross income (excluding exempt income according to Temporary Regulations section 1.861-8T(d)(2)).

**Lines 3a through 3h.**—Enter the gross income within each statutory grouping.

**Line 4.**—Add lines 3a through 3h.

**Note:** *This total will generally be less than the total gross income on line 2 because this line 4 total does not include the gross income that is implicitly apportioned to the residual grouping.*

### Column (b)(vii)

**Line 1.**—Enter the total R&D deductions.

**Line 2.**—To get the line 2 amount, reduce the line 1 total by the R&D deductions incurred solely to meet legal requirements. (See Regulations section 1.861-8(e)(3)(i)(B).)

**Note:** *Do not reduce the line 1 total by the exclusive apportionment rules of Regulations section 1.861-8(e)(3)(ii)(A) (as is permitted under the Sales Method).*

**Lines 3a through 3h.**—To determine the amount of R&D deductions to apportion to each statutory grouping: (a) if the Option 1 box was checked, divide the gross income apportioned to the statutory grouping by the total gross income and multiply the result by the R&D deductions to be apportioned; or (b) if the Option 2 box was checked, enter the appropriate amount as described in Regulations section 1.861-8(e)(3)(iii)(B).

**Line 4.**—Add lines 3a through 3h.

**Note:** *This total will generally be less than the total R&D deductions entered on line 2 because this line 4 total does not include the R&D deductions that are implicitly apportioned to the residual grouping.*

## Part II—Interest Deductions, All Other Deductions, and Total Deductions

### Columns (a)(i) through (b)(iv)

Use these columns to apportion the interest deductions. See Regulations section 1.861-8 and Temporary Regulations sections 1.861-8T through 1.861-13T for rules on the apportionment of interest deductions. Columns (a) and (b) are subdivided into "Nonfinancial Corporations" and "Financial Corporations." In allocating interest deductions, members of an affiliated group that are financial corporations must be treated as a separate affiliated group. Complete columns (a)(ii) and (b)(iv) for members of the corporation's affiliated group that are financial corporations and columns (a)(i) and (b)(iii) for members that are nonfinancial corporations.

### Columns (a)(i) and (a)(ii)

**Line 1a.**—Enter the average of the total assets of the affiliated group. See Temporary Regulations section 1.861-9T(g)(2) for the definition of average for these purposes.

**Line 1b.**—Enter the assets included on line 1a that are characterized as excess related party indebtedness. See Temporary Regulations section 1.861-10T(e) for an exception to the general rule of fungibility for excess related party indebtedness.

**Line 1c.**—Enter all other assets that attract specifically allocable interest deductions. See Temporary Regulations section 1.861-10T for other exceptions to the general rule of fungibility (such as qualified nonrecourse indebtedness and integrated financial transactions).

**Line 1d.**—Enter the total of the exempt assets and assets without directly identifiable yield that are to be excluded from the interest

apportionment formula (Temporary Regulations sections 1.861-8T(d)(2) and 1.861-9T(g)(3)).

**Lines 3a through 3h.**—The assets on line 2 are characterized as assets in one of the statutory groupings or as belonging to the residual grouping. Enter the value of the assets in each of the statutory groupings on line 3a through 3h. See Temporary Regulations sections 1.861-9T(g)(3), 1.861-12T(g)(2), and 1.861-12T(h)(2) for the rules for characterizing the assets.

**Line 4.**—Add lines 3a through 3h.

**Note:** *This total will generally be less than the total assets on line 2 because this line 4 total does not include the assets that are implicitly apportioned to the residual grouping.*

**Columns (b)(iii) and (b)(iv)**

**Line 1a.**—Enter the total interest deductions for the members of the corporation's affiliated group. These include: **(a)** any expense that is currently deductible under section 163 (including original issue discount); and **(b)** interest equivalents. See Temporary Regulations section 1.861-9T for the definition of interest equivalents and a list of the sections that disallow or suspend interest deductions or that require the capitalization of interest deductions.

**Line 1b.**—Enter the interest deductions associated with the assets on line 1b of columns (a)(i) and (a)(ii), respectively, that attract specifically allocable interest deductions under Temporary Regulations section 1.861-10T(e).

**Note:** *These interest deductions will be divided among the statutory groupings and will appear as a definitely allocable deduction in Schedule A, column 9(d).*

**Line 1c.**—Enter the interest deductions associated with the assets on line 1c of columns (a)(i) and (a)(ii), respectively, that attract specifically allocable interest deductions.

**Line 1d.**—Enter the total amount of interest deductions that are allowed transition relief under the Tax Reform Act of 1986 and under the Technical and Miscellaneous Revenue Act of 1988 (TAMRA).

**Note:** *A portion of these interest deductions may be divided among the various statutory groupings. If so, include these interest deductions on lines 3a through 3h of these columns as explained below.*

**Lines 3a through 3h.**—To figure the amount of interest deductions to apportion to each statutory grouping, divide the assets apportioned to the statutory grouping by the total assets apportioned and multiply the result by the interest deductions to be apportioned. Add to this amount any interest deductions that are apportioned to this category under the transition rules referred to above in columns (b)(iii) and (b)(iv), line 1d.

To figure the amount to enter on line 3a, column (b)(iii): **(a)** divide the amount entered on line 3a, column (a)(i) by the amount on line 2, column (a)(i); **(b)** multiply the result by the amount on line 2, column (b)(iii); and **(c)** add any amount that is apportioned to this category under the transition rules.

To figure the amount to enter on line 3b, column (b)(iv): **(a)** divide the amount on line 3b, column (a)(ii) by the amount on line 2, column (a)(ii); **(b)** multiply the result by the amount on line 2, column (b)(iv); and **(c)** add any amount

that is apportioned to this category under the transition rules.

**Line 4.**—Add lines 3a through 3h.

**Note:** *This total will generally be less than the total interest deductions on line 2 because this line 4 total does not include the interest deductions that are implicitly apportioned to the residual grouping.*

**Column (c)**

Complete this column to apportion all other deductions not definitely allocable (other than interest deductions and R&D deductions). See Regulations section 1.861-8 and Temporary Regulations sections 1.861-8T and 1.861-14T.

**Line 1a.**—Enter the total other deductions. Examples include: stewardship expenses; legal and accounting expenses; and other expenses related to certain supportive functions such as overhead, general and administrative, advertising, and marketing.

**Lines 3a through 3j.**—Enter the amounts apportioned to each statutory grouping.

**Line 4.**—Add lines 3a through 3j.

**Note:** *This total will generally be less than the other deductions on line 2 because this line 4 total does not include the other deductions that are implicitly apportioned to the residual grouping.*

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## Schedule I and Schedule J

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See the separate Schedule I and Schedule J instructions to see if the corporation must file these schedules.

**Foreign Country and U.S. Possession Codes.**—Enter the following codes as requested in: Schedule A, column 1; Schedule C, Part I, column 2; Schedule C, Part II, column 3; Schedule D, Part I, column 2; Schedule D, Part II, column 3; Schedule E, Part I, column 2; and Schedule E, Part II, column 3.

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