

Return of U.S. Persons With Respect to Certain Foreign Partnerships

2012

Department of the Treasury
Internal Revenue Service

▶ **Information about Form 8865 and its separate instructions is at www.irs.gov/form8865.**

Information furnished for the foreign partnership's tax year beginning _____, 2012, and ending _____, 20_____

Attachment
Sequence No. **118**

Name of person filing this return	Filer's identifying number
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Filer's address (if you are not filing this form with your tax return)	A Category of filer (see Categories of Filers in the instructions and check applicable box(es): 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> B Filer's tax year beginning _____, 20_____, and ending _____, 20_____
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C Filer's share of liabilities: Nonrecourse \$	Qualified nonrecourse financing \$	Other \$
---	------------------------------------	----------

D If filer is a member of a consolidated group but not the parent, enter the following information about the parent:	
Name	EIN
Address	

E Information about certain other partners (see instructions)					
(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Category 1	Category 2	Constructive owner

F1 Name and address of foreign partnership	2(a) EIN (if any) 2(b) Reference ID number (see instr.) 3 Country under whose laws organized
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4 Date of organization	5 Principal place of business	6 Principal business activity code number	7 Principal business activity	8a Functional currency	8b Exchange rate (see instr.)
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G Provide the following information for the foreign partnership's tax year:	
1 Name, address, and identifying number of agent (if any) in the United States	2 Check if the foreign partnership must file: <input type="checkbox"/> Form 1042 <input type="checkbox"/> Form 8804 <input type="checkbox"/> Form 1065 or 1065-B Service Center where Form 1065 or 1065-B is filed: _____
3 Name and address of foreign partnership's agent in country of organization, if any	4 Name and address of person(s) with custody of the books and records of the foreign partnership, and the location of such books and records, if different

5 Were any special allocations made by the foreign partnership? **Yes** **No**

6 Enter the number of Forms 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, attached to this return (see instructions) ▶ _____

7 How is this partnership classified under the law of the country in which it is organized? . . ▶ _____

8 Did the partnership own any separate units within the meaning of Regulations section 1.1503-2(c)(3), (4), or 1.1503(d)-1(b)(4)? **Yes** **No**

9 Does this partnership meet **both** of the following requirements? **Yes** **No**

- The partnership's total receipts for the tax year were less than \$250,000 and
- The value of the partnership's total assets at the end of the tax year was less than \$1 million.

If "Yes," **do not** complete Schedules L, M-1, and M-2.

Sign Here Only if You Are Filing This Form Separately and Not With Your Tax Return. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member _____	Date _____			
Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶		Phone no.	
Firm's address ▶				

IRS Federal Income Tax Form for Tax Year 2012
(Jan. 1, 2012 - Dec. 31, 2012)

You have two options to prepare this tax form:

1. Download this form, complete it, and mail it to the address on the form.
2. [Work with an efile.com Tax Professional \(Accountant/CPA\) live online.](#)

If you need to prepare tax returns for tax years other than 2012, you can either download the tax forms by Tax Year below:

[IRS Tax Forms for Tax Year 2011](#)
[IRS Tax Forms for Tax Year 2010](#)
[IRS Tax Forms for Tax Year 2009](#)
[IRS Tax Forms for Tax Years 2004-2008](#)



Or, you can [work with an efile.com Tax Pro.](#)

- Check the efile.com website for a wide range of current [IRS Tax Publications](#).
- View a complete list of [Federal Tax Forms](#) that can be prepared online and efiled together with [State Tax Forms](#).
- Estimate your federal income taxes for free with the efile.com [Federal Income Tax Calculator](#).
- Get online [answers to your tax questions](#).
- If you have further questions, please [contact an efile.com support representative](#).
- If you want to work with a tax professional to prepare your return, you can [contact an efile.com TaxPro](#).

Schedule A

Constructive Ownership of Partnership Interest. Check the boxes that apply to the filer. If you check box **b**, enter the name, address, and U.S. taxpayer identifying number (if any) of the person(s) whose interest you constructively own. See instructions.

a Owns a direct interest **b** Owns a constructive interest

Name	Address	Identifying number (if any)	Check if foreign person	Check if direct partner

Schedule A-1 Certain Partners of Foreign Partnership (see instructions)

Name	Address	Identifying number (if any)	Check if foreign person

Does the partnership have any other foreign person as a direct partner? Yes No

Schedule A-2

Affiliation Schedule. List all partnerships (foreign or domestic) in which the foreign partnership owns a direct interest or indirectly owns a 10% interest.

Name	Address	EIN (if any)	Total ordinary income or loss	Check if foreign partnership

Schedule B Income Statement—Trade or Business Income

Caution. Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1 a Gross receipts or sales	1a			
	b Less returns and allowances	1b			1c
	2 Cost of goods sold				2
	3 Gross profit. Subtract line 2 from line 1c				3
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)				4
	5 Net farm profit (loss) (attach Schedule F (Form 1040))				5
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)				6
	7 Other income (loss) (attach statement)				7
8 Total income (loss). Combine lines 3 through 7				8	
Deductions (see instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)				9
	10 Guaranteed payments to partners				10
	11 Repairs and maintenance				11
	12 Bad debts				12
	13 Rent				13
	14 Taxes and licenses				14
	15 Interest				15
	16a Depreciation (if required, attach Form 4562)	16a			
	b Less depreciation reported elsewhere on return	16b			16c
	17 Depletion (Do not deduct oil and gas depletion.)				17
	18 Retirement plans, etc.				18
	19 Employee benefit programs				19
	20 Other deductions (attach statement)				20
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20				21
22 Ordinary business income (loss) from trade or business activities. Subtract line 21 from line 8				22	

Schedule K		Partners' Distributive Share Items		Total amount	
Income (Loss)	1	Ordinary business income (loss) (page 2, line 22)		1	
	2	Net rental real estate income (loss) (attach Form 8825)		2	
	3a	Other gross rental income (loss)	3a		
	b	Expenses from other rental activities (attach statement)	3b		
	c	Other net rental income (loss). Subtract line 3b from line 3a		3c	
	4	Guaranteed payments		4	
	5	Interest income		5	
	6	Dividends: a Ordinary dividends		6a	
		b Qualified dividends	6b		
	7	Royalties		7	
	8	Net short-term capital gain (loss) (attach Schedule D (Form 1065))		8	
9a	Net long-term capital gain (loss) (attach Schedule D (Form 1065))		9a		
	b Collectibles (28%) gain (loss)	9b			
	c Unrecaptured section 1250 gain (attach statement)	9c			
10	Net section 1231 gain (loss) (attach Form 4797)		10		
11	Other income (loss) (see instructions) Type ▶		11		
Deductions	12	Section 179 deduction (attach Form 4562)		12	
	13a	Contributions		13a	
	b	Investment interest expense		13b	
	c	Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶		13c(2)	
	d Other deductions (see instructions) Type ▶		13d		
Self-Employment	14a	Net earnings (loss) from self-employment		14a	
	b	Gross farming or fishing income		14b	
	c	Gross nonfarm income		14c	
Credits	15a	Low-income housing credit (section 42(j)(5))		15a	
	b	Low-income housing credit (other)		15b	
	c	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)		15c	
	d	Other rental real estate credits (see instructions) Type ▶		15d	
	e	Other rental credits (see instructions) Type ▶		15e	
	f	Other credits (see instructions) Type ▶		15f	
Foreign Transactions	16a	Name of country or U.S. possession ▶		16a	
	b	Gross income from all sources		16b	
	c	Gross income sourced at partner level		16c	
		Foreign gross income sourced at partnership level			
	d	Passive category ▶ e General category ▶ f Other (attach statement) ▶		16f	
		Deductions allocated and apportioned at partner level			
	g	Interest expense ▶ h Other ▶		16h	
		Deductions allocated and apportioned at partnership level to foreign source income			
	i	Passive category ▶ j General category ▶ k Other (attach statement) ▶		16k	
	l	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued		16l	
m	Reduction in taxes available for credit (attach statement)		16m		
n	Other foreign tax information (attach statement)				
Alternative Minimum Tax (AMT) items	17a	Post-1986 depreciation adjustment		17a	
	b	Adjusted gain or loss		17b	
	c	Depletion (other than oil and gas)		17c	
	d	Oil, gas, and geothermal properties—gross income		17d	
	e	Oil, gas, and geothermal properties—deductions		17e	
	f	Other AMT items (attach statement)		17f	
Other Information	18a	Tax-exempt interest income		18a	
	b	Other tax-exempt income		18b	
	c	Nondeductible expenses		18c	
	19a	Distributions of cash and marketable securities		19a	
	b	Distributions of other property		19b	
	20a	Investment income		20a	
	b Investment expenses		20b		
	c Other items and amounts (attach statement)				

Schedule L Balance Sheets per Books. (Not required if Item G9, page 1, is answered "Yes.")

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2a Trade notes and accounts receivable . . .				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach statement) . .				
7a Loans to partners (or persons related to partners)				
b Mortgage and real estate loans				
8 Other investments (attach statement) . . .				
9a Buildings and other depreciable assets . .				
b Less accumulated depreciation				
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only) . . .				
b Less accumulated amortization				
13 Other assets (attach statement)				
14 Total assets				
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach statement) .				
18 All nonrecourse loans				
19a Loans from partners (or persons related to partners)				
b Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach statement)				
21 Partners' capital accounts				
22 Total liabilities and capital				

Schedule M Balance Sheets for Interest Allocation

	(a) Beginning of tax year	(b) End of tax year
1 Total U.S. assets		
2 Total foreign assets:		
a Passive category		
b General category		
c Other (attach statement)		

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return. (Not required if Item G9, page 1, is answered "Yes.")

1 Net income (loss) per books			6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):		
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11 not recorded on books this year (itemize): _____			a Tax-exempt interest \$ _____		
3 Guaranteed payments (other than health insurance)			7 Deductions included on Schedule K, lines 1 through 13d, and 16l not charged against book income this year (itemize):		
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):			a Depreciation \$ _____		
a Depreciation \$ _____					
b Travel and entertainment \$ _____			8 Add lines 6 and 7		
5 Add lines 1 through 4			9 Income (loss). Subtract line 8 from line 5		

Schedule M-2 Analysis of Partners' Capital Accounts. (Not required if Item G9, page 1, is answered "Yes.")

1 Balance at beginning of year			6 Distributions: a Cash		
2 Capital contributed:			b Property		
a Cash			7 Other decreases (itemize): _____		
b Property					
3 Net income (loss) per books					
4 Other increases (itemize): _____			8 Add lines 6 and 7		
_____			9 Balance at end of year. Subtract line 8 from line 5		
5 Add lines 1 through 4					

Schedule N Transactions Between Controlled Foreign Partnership and Partners or Other Related Entities

Important: Complete a separate Form 8865 and Schedule N for each controlled foreign partnership. Enter the totals for each type of transaction that occurred between the foreign partnership and the persons listed in columns (a) through (d).

Transactions of foreign partnership	(a) U.S. person filing this return	(b) Any domestic corporation or partnership controlling or controlled by the U.S. person filing this return	(c) Any other foreign corporation or partnership controlling or controlled by the U.S. person filing this return	(d) Any U.S. person with a 10% or more direct interest in the controlled foreign partnership (other than the U.S. person filing this return)
1 Sales of inventory				
2 Sales of property rights (patents, trademarks, etc.)				
3 Compensation received for technical, managerial, engineering, construction, or like services				
4 Commissions received				
5 Rents, royalties, and license fees received				
6 Distributions received				
7 Interest received				
8 Other				
9 Add lines 1 through 8				
10 Purchases of inventory				
11 Purchases of tangible property other than inventory				
12 Purchases of property rights (patents, trademarks, etc.)				
13 Compensation paid for technical, managerial, engineering, construction, or like services				
14 Commissions paid				
15 Rents, royalties, and license fees paid				
16 Distributions paid				
17 Interest paid				
18 Other				
19 Add lines 10 through 18				
20 Amounts borrowed (enter the maximum loan balance during the year). See instructions				
21 Amounts loaned (enter the maximum loan balance during the year). See instructions				



Instructions for Form 8865

Return of U.S. Persons With Respect to Certain Foreign Partnerships

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

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Future Developments

For the latest information about developments related to Form 8865, its schedules, and its instructions, such as legislation enacted after they were published, go to www.irs.gov/form8865.

What's New

- Form 8865. Line F2(b) is used to request the reference ID number of the foreign partnership and must be completed for tax years beginning in 2012. See the instructions for line F2(b) for details.
- Schedule K-1 (Form 8865). New line A2 has been added to request the reference ID number of the foreign

partnership. See the instructions for Schedule K-1, line A2.

- A new line has been added to Schedule O and Schedule P to request the reference ID number of the foreign partnership.
- Schedule L. New line 19a, "Loans from partners," has been added.
- The Schedule D for Form 8865 has been replaced with Schedule D (Form 1065), Capital Gains and Losses. Foreign partnerships must use Schedule D (Form 1065) to report capital gains and losses.

Reminder

For information on the validity of entity classification elections made by certain foreign eligible entities under Regulations section 301.7701-3(c) where there is uncertainty regarding the number of owners of the foreign eligible entity on the effective date of the election, see Revenue Procedure 2010-32. Revenue Procedure 2010-32 is available at www.irs.gov/irb/2010-36_IRB/ar09.html.

For information on filing a late entity classification election under section 7701, see Revenue Procedure 2009-41 and the instructions for Form 8832, Entity Classification Election. Revenue Procedure 2009-41 is available at www.irs.gov/irb/2009-39_IRB/ar17.html.

General Instructions

The specific instructions for Schedules B, K, K-1, M-1, and M-2 are not included in these instructions. If you are required to complete these schedules for Form 8865, use the instructions for the corresponding schedules of Form 1065, U.S. Return of Partnership income, (or Form 1065-B, U.S. Return of Income for Electing Large Partnerships, if the foreign partnership is an electing large partnership). See the general instructions for these schedules, later, for more information.

If you are completing Form 8865	Then use the instructions for Forms 1065/1065-B:
Schedule B	Form 1065, Page 1/ Parts I and II of Form 1065-B
Schedules K and K-1	Schedules K and K-1
Schedule L	Schedule L
Schedule M-1	Schedule M-1
Schedule M-2	Schedule M-2

Note. If you are reporting capital gains and losses, use Schedule D (Form 1065). See the Instructions for Schedule D (Form 1065).

Purpose of Form

Use Form 8865 to report the information required under section 6038 (reporting with respect to controlled foreign partnerships), section 6038B (reporting of transfers to foreign partnerships), or section 6046A (reporting of acquisitions, dispositions, and changes in foreign partnership interests).

Who Must File

A U.S. person qualifying under one or more of the Categories of Filers (see below) must complete and file Form 8865. These instructions and the *Filing Requirements for Categories of Filers* chart, later, explain the information, statements, and schedules required for each category of filer. If you qualify under more than one category for a particular foreign partnership, you must submit all the items required for each category under which you qualify.

Example. If you qualify as a Category 2 and a Category 3 filer, you must submit all the schedules required of Category 2 filers (page 1 of Form 8865, Schedules A, A-2, N, and K-1) plus any additional schedules that Category 3 filers are required to submit (Schedules A-1 and O).

Complete a separate Form 8865 and the applicable schedules for each foreign partnership.

File the 2012 Form 8865 with your income tax return for your tax year beginning in 2012.

If a Form 8832 was filed for this entity for the current tax year, see

Where to File in the instructions for Form 8832 to determine if you are required to attach a copy of the Form 8832 to the tax return to which the Form 8865 is being attached.

Filing Requirements for Categories of Filers

Filing Requirements for Categories of Filers	Category of Filers			
	1	2	3	4
Identifying information— (page 1 of Form 8865)	✓	✓	✓	✓
Schedule A—Constructive Ownership of Partnership Interest	✓	✓	✓	✓
Schedule A-1—Certain Partners of Foreign Partnership	✓		✓	
Schedule A-2—Affiliation Schedule	✓	✓	✓	✓
Schedule B—Income Statement—Trade or Business Income	✓			
Schedule K—Partners' Distributive Share Items	✓			
Schedule L—Balance Sheets per Books	✓			
Schedule M—Balance Sheets for Interest Allocation	✓			
Schedule M-1—Reconciliation of Income (Loss) per Books With Income (Loss) per Return	✓			
Schedule M-2—Analysis of Partners' Capital Accounts	✓			
Schedule N—Transactions Between Controlled Foreign Partnership and Partners or Other Related Entities	✓	✓		
Schedule D— Schedule D (Form 1065), Capital Gains and Losses	✓			
Schedule K-1—Partner's Share of Income, Deductions, Credits, etc. (direct partners only)	✓	✓		
Schedule O—Transfer of Property to a Foreign Partnership			✓	
Schedule P—Acquisitions, Dispositions, and Changes of Interests in a Foreign Partnership				✓

Categories of Filers

Category 1 filer. A Category 1 filer is a U.S. person who controlled the foreign partnership at any time during the partnership's tax year. Control of a partnership is ownership of more than a 50% interest in the partnership. See the definition of 50% interest, later.

There may be more than one Category 1 filer for a partnership for a particular partnership tax year.

Category 2 filer. A Category 2 filer is a U.S. person who at any time during the tax year of the foreign partnership owned a 10% or greater interest in the partnership while the partnership was controlled by U.S. persons each owning at least 10% interests. However, if the foreign partnership had a Category 1 filer at any time during that tax year, no person will be considered a Category 2 filer. See the definition of a 10% interest, later.

Category 3 filer. A Category 3 filer is a U.S. person who contributed property during that person's tax year

to a foreign partnership in exchange for an interest in the partnership (a section 721 transfer), if that person either:

1. Owned directly or constructively at least a 10% interest in the foreign partnership immediately after the contribution, or

2. The value of the property contributed (when added to the value of any other property contributed to the partnership by such person, or any related person, during the 12-month period ending on the date of transfer) exceeds \$100,000.

If a domestic partnership contributes property to a foreign partnership, the domestic partnership's partners are considered to have transferred a proportionate share of the contributed property to the foreign partnership. However, if the domestic partnership files Form 8865 and properly reports all the required information with respect to

the contribution, its partners will not be required to report the transfer.

Category 3 also includes a U.S. person that previously transferred appreciated property to the partnership and was required to report that transfer under section 6038B, if the foreign partnership disposed of such property while the U.S. person remained a direct or indirect partner in the partnership.

Category 4 filer. A Category 4 filer is a U.S. person that had a reportable event under section 6046A during that person's tax year. There are three categories of reportable events under section 6046A: acquisitions, dispositions, and changes in proportional interests.

Acquisitions. A U.S. person that acquires a foreign partnership interest has a reportable event if:

- The person did not own a 10% or greater direct interest in the partnership and as a result of the acquisition, the person owns a 10% or

greater direct interest in the partnership (for example, from 9% to 10%). For purposes of this rule, an acquisition includes an increase in a person's direct proportional interest (see *Change in a proportional interest*, later); or

- Compared to the person's direct interest when the person last had a reportable event, after the acquisition the person's direct interest has increased by at least a 10% interest (for example, from 11% to 21%).

Dispositions. A U.S. person that disposes of a foreign partnership interest has a reportable event if:

- The person owned a 10% or greater direct interest in the partnership before the disposition and as a result of the disposition the person owns less than a 10% direct interest (for example, from 10% to 8%). For purposes of this rule, a disposition includes a decrease in a person's direct proportional interest; or
- Compared to the person's direct interest when the person last had a reportable event, after the disposition the person's direct interest has decreased by at least a 10% interest (for example, from 21% to 11%).

Changes in proportional interests. A U.S. person has a reportable event if compared to the person's direct proportional interest the last time the person had a reportable event, the person's direct proportional interest has increased or decreased by at least the equivalent of a 10% interest in the partnership.

Special rule for a partnership interest owned on December 31, 1999. If the U.S. person owned at least a 10% direct interest in the foreign partnership on December 31, 1999, then comparisons should be made to the person's direct interest on December 31, 1999. Once the person has a reportable event after December 31, 1999, future comparisons should be made by reference to the last reportable event.

Exceptions to Filing

Multiple Category 1 filers. If during the tax year of the partnership more than one U.S. person qualifies as a Category 1 filer, only one of these Category 1 partners is required to file Form 8865. A U.S. person with a controlling interest in the losses or

deductions of the partnership is not permitted to be the filer of Form 8865 if another U.S. person has a controlling interest in capital or profits; only the latter may file the return. The U.S. person that files the Form 8865 must complete Item E on page 1.

The single Form 8865 to be filed must contain all of the information that would be required if each Category 1 filer filed a separate Form 8865. Specifically, separate Schedules N and K-1 must be attached to the Form 8865 for each Category 1 filer. Also, Items B, C, and D on page 1 and Schedule A on page 2 of Form 8865 must be completed for each Category 1 filer not filing the form. Attach a separate statement listing this information to the single Form 8865.

A Category 1 filer not filing Form 8865 must attach a statement entitled "Controlled Foreign Partnership Reporting" to that person's income tax return.

The statement must include the following information:

- A statement that the person qualified as a Category 1 filer, but is not submitting Form 8865 under the multiple Category 1 filers exception.
- The name, address, and identifying number (if any) of the foreign partnership of which the person qualified as a Category 1 filer.
- A statement that the filing requirement has been or will be satisfied.
- The name and address of the person filing Form 8865 for this partnership.
- The Internal Revenue Service Center where the Form 8865 must be filed (or indicate "e-file" if the Form 8865 has been or will be filed electronically).



A U.S. person who qualifies for this exception to the Category 1 filing requirement would still have to file a separate Form 8865 if that person is also subject to the filing requirements of Category 3 or 4. This separate Form 8865 would include all the information required for a Category 3 or 4 filer in addition to the Controlled Foreign Partnership Reporting statement.

Constructive owners. See the definition of constructive ownership, later. A Category 1 or 2 filer that does not own a direct interest in the

partnership and that is required to file this form solely because of constructive ownership from a U.S. person(s) is not required to file Form 8865 if:

1. Form 8865 is filed by the U.S. person(s) through which the indirect partner constructively owns an interest in the foreign partnership,
2. The U.S. person through which the indirect partner constructively owns an interest in the foreign partnership is also a constructive owner and meets all the requirements of this constructive ownership filing exception, or
3. Form 8865 is filed for the foreign partnership by another Category 1 filer under the multiple Category 1 filers exception.

To qualify for the constructive ownership filing exception, the indirect partner must file with its income tax return a statement entitled "Controlled Foreign Partnership Reporting."

This statement must contain the following information:

1. A statement that the indirect partner was required to file Form 8865, but is not doing so under the constructive owners exception;
2. The names and addresses of the U.S. persons whose interests the indirect partner constructively owns; and
3. The name and address of the foreign partnership for which the indirect partner would have had to have filed Form 8865, but for this exception.

Members of an affiliated group of corporations filing a consolidated return. If one or more members of an affiliated group of corporations filing a consolidated return qualify as Category 1 or 2 filers for a particular foreign partnership, the common parent corporation may file one Form 8865 on behalf of all of the members of the group required to report. Except for group members who also qualify under the constructive owners exception, the Form 8865 must contain all the information that would have been required to be submitted if each group member filed its own Form 8865.

Exception for certain trusts. Trusts relating to state and local government

employee retirement plans are not required to file Form 8865.

Exception for certain Category 4 filers. If you qualify as a Category 3 and 4 filer because you contributed property to a foreign partnership in exchange for a 10% or greater interest in that partnership, you are not required to report this transaction under both Category 3 and 4 filing requirements. If you properly report the contribution of property under the Category 3 rules, you are not required to report it as a Category 4 filer. However, the acquisition will count as a reportable event to determine if a later change in your partnership interest qualifies as a reportable event under Category 4.

Example. Partner A does not own an interest in FPS, a foreign partnership. Partner A transfers property to FPS in exchange for a 15% direct interest. Partner A qualifies as a Category 3 filer because he transferred property to a foreign partnership and owned at least a 10% interest in FPS immediately after the contribution. Partner A is also a Category 4 filer because he did not own a 10% or greater direct interest in FPS and as a result of the acquisition now owns a 10% or greater direct interest in FPS. If Partner A properly reports the contribution on Form 8865 as a Category 3 filer, Partner A is not required to report his acquisition of the 15% interest in FPS as a Category 4 filer.

Relief for Category 1 and 2 Filers When the Foreign Partnership Files Form 1065 or Form 1065-B

If a foreign partnership files Form 1065 or Form 1065-B for its tax year, Category 1 and 2 filers may use a copy of the completed Form 1065 or 1065-B schedules in place of the equivalent schedules of Form 8865.

If you file Form 8865 with an electronically filed income tax return, see the electronic filing publications identified in the instructions for your income tax return for more information.

See page 1 for the Form 1065/1065-B schedules that are equivalent to the Form 8865 schedules.

Example. Partner A is a Category 1 filer with respect to FPS, a foreign partnership during the 2012 tax year. FPS completes and files a Form 1065 for its 2012 tax year. Instead of completing Schedules B, K, L, M-1, M-2, and K-1 of Form 8865, Partner A may attach to its Form 8865 page 1 of Form 1065 and Form 1065 Schedules K, L, M-1, M-2, and K-1 (including the Schedules K-1 for Partner A and all other U.S. persons owning 10% or greater direct interests in FPS). Partner A must complete the following items and schedules on Form 8865:

- The first page,
- Schedule A,
- Schedule A-1,
- Schedule A-2,
- Schedule M, and
- Schedule N.

Example. Partner A is a Category 2 filer with respect to FPS, a foreign partnership. If FPS completes and files a Form 1065 for its 2012 tax year, Partner A may file with Form 8865 the Schedule K-1 (Form 1065) that it receives from the partnership instead of Schedule K-1 (Form 8865). Partner A must complete the following items and schedules on Form 8865:

- The first page,
- Schedule A,
- Schedule A-2, and
- Schedule N.

When To File

Attach Form 8865 to your income tax return (or, if applicable, partnership or exempt organization return) and file both by the due date (including extensions) for that return. If you do not have to file an income tax return, you must file Form 8865 separately with the IRS at the time and place you would be required to file an income tax return (or, if applicable, a partnership or exempt organization return). See below for penalties that may apply if you do not file Form 8865 on time.

Definitions

Partnership. A partnership is the relationship between two or more persons who join to carry on a trade or business, with each person contributing money, property, labor, or skill and each expecting to share in the profits and losses of the business whether or not a formal partnership agreement is made.

The term “partnership” includes a limited partnership, syndicate, group, pool, joint venture, or other unincorporated organization, through or by which any business, financial operation, or venture is carried on, that is not, within the meaning of the regulations under section 7701, a corporation, trust, estate, or sole proprietorship.

A joint undertaking merely to share expenses is not a partnership. Mere co-ownership of property that is maintained and leased or rented is not a partnership. However, if the co-owners provide services to the tenants, a partnership exists.

Foreign partnership. A foreign partnership is a partnership that is not created or organized in the United States or under the law of the United States or of any state.

50% interest. A 50% interest in a partnership is an interest equal to:

- 50% of the capital,
 - 50% of the profits, or
 - 50% of the deductions or losses.
- For purposes of determining a 50% interest, the constructive ownership rules described below apply.

10% interest. A 10% interest in a partnership is an interest equal to:

- 10% of the capital,
 - 10% of the profits, or
 - 10% of the deductions or losses.
- For purposes of determining a 10% interest, the constructive ownership rules described below apply.

Constructive ownership. For purposes of determining an interest in a partnership, the constructive ownership rules of section 267(c) (excluding section 267(c)(3)) apply, taking into account that such rules refer to corporations and not to partnerships. Generally, an interest owned directly or indirectly by or for a corporation, partnership, estate, or trust shall be considered as being owned proportionately by its owners, partners, or beneficiaries.

Also, an individual is considered to own an interest owned directly or indirectly by or for his or her family. The family of an individual includes only that individual's spouse, brothers, sisters, ancestors, and lineal descendants. An interest will be attributed from a nonresident alien individual under the family attribution rules only if the person to whom the

interest is attributed owns a direct or indirect interest in the foreign partnership under section 267(c)(1) or (5).

U.S. person. A U.S. person is a citizen or resident of the United States, a domestic partnership, a domestic corporation, and any estate or trust that is not foreign.

Control of a corporation. For purposes of Schedule N, control of a corporation is ownership of stock possessing more than 50% of the total combined voting power, or more than 50% of the total value of shares of all classes of stock of the corporation. For rules concerning indirect ownership and attribution, see Regulations section 1.6038-2(c).

Change in a proportional interest. A partner's proportional interest in a foreign partnership can change as a result of changes in other partners' interests, for example, when another partner withdraws from the partnership. A partner's proportional interest can also change, for example, by operation of the partnership agreement (for example, if the partnership agreement provides that a partner's interest in profits will change on a set date or when the partnership has earned a specified amount of profits, then the partner's proportional interest changes when the set date or specified amount of profits is reached).

Penalties

Failure to timely submit all information required of Category 1 and 2 filers.

- A \$10,000 penalty is imposed for each tax year of each foreign partnership for failure to furnish the required information within the time prescribed. If the information is not filed within 90 days after the IRS has mailed a notice of the failure to the U.S. person, an additional \$10,000 penalty (per foreign partnership) is charged for each 30-day period, or fraction thereof, during which the failure continues after the 90-day period has expired. The additional penalty is limited to a maximum of \$50,000 for each failure.
- Any person who fails to furnish all of the information required within the time prescribed will be subject to a reduction of 10% of the foreign taxes available for credit under sections

901, 902, and 960. If the failure continues 90 days or more after the date the IRS mails notice of the failure, 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. See section 6038(c)(2) for limits on the amount of this penalty.

- Criminal penalties under sections 7203, 7206, and 7207 may apply for failure to file or for filing false or fraudulent information.

Additionally, any person that files under the constructive owners exception may be subject to these penalties if all the requirements of the exception are not met. Any person required to file Form 8865 who does not file under the multiple Category 1 filers exception may be subject to the above penalties if the other person does not file a correctly completed form and schedules. See *Exceptions to Filing*, earlier.

Failure to file information required of Category 3 filers. Any person that fails to properly report a contribution to a foreign partnership that is required to be reported under section 6038B and the regulations under that section is subject to a penalty equal to 10% of the fair market value (FMV) of the property at the time of the contribution. This penalty is subject to a \$100,000 limit, unless the failure is due to intentional disregard. In addition, the transferor must recognize gain on the contribution as if the contributed property had been sold for its FMV.

Failure to file information required of Category 4 filers. Any person who fails to properly report all the information requested by section 6046A is subject to a \$10,000 penalty. If the failure continues for more than 90 days after the IRS mails notice of the failure, an additional \$10,000 penalty will apply for each 30-day period (or fraction thereof) during which the failure continues after the 90-day period has expired. The additional penalty shall not exceed \$50,000.

Treaty-based return positions. File Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b), to report a return position that a treaty of the United States (such as an income tax treaty,

an estate and gift tax treaty, or a friendship, commerce, and navigation 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.

Failure to make such a report may result in a \$1,000 penalty (\$10,000 in the case of a C corporation). See section 6712.

Section 6662(j). Penalties may be imposed for undisclosed foreign financial asset understatements. The term "undisclosed foreign financial asset" with respect to any tax year includes any asset with respect to which required information was not provided. An "undisclosed foreign financial asset understatement" means for any tax year, the portion of the understatement for that tax year which is attributable to any transaction involving an undisclosed foreign financial asset. No penalty will be imposed with respect to any portion of an underpayment if the taxpayer can demonstrate that the failure to comply was due to reasonable cause with respect to such portion of the underpayment and the taxpayer acted in good faith with respect to such portion of the underpayment. See sections 6662(j) and 6664(c) for additional information.

Corrections to Form 8865

If you file a Form 8865 that you later determine is incomplete or incorrect, file a corrected Form 8865 with an amended tax return following the instructions for the return with which you originally filed Form 8865. Write "corrected" at the top of the form and attach a statement identifying and explaining the changes.

Specific Instructions

Important: All information must be in English. All amounts must be stated in U.S. dollars.

If the information required in a given section exceeds the space provided within that section, attach separate sheets to provide the remaining information, using the same size and format as the printed forms.

Fill in all applicable lines and schedules. All categories of filers must complete all items on page 1,

with three exceptions. Complete Item E only if, in addition to filing the form on your own behalf, you are reporting information about other Category 1 filers under the multiple Category 1 filing exception, or you are reporting information about members of your affiliated group of corporations under the consolidated return exception. Only Category 1 and 2 filers are required to complete Item G6. See *Exceptions to Filing*, earlier. Answer Items G8 and G9 only if you are a Category 1 filer.

Tax Year

Enter in the space below the title of Form 8865 the tax year of the foreign partnership that ended with or within the tax year of the person filing this form. Category 1 or 2 filers must report information for the tax year of the foreign partnership that ends with or within their tax years. A Category 3 or 4 filer must report on Schedules O or P, respectively, transactions that occurred during that filer's tax year (rather than during the partnership's tax year).

Identifying Numbers and Addresses

Enter the identifying number of the person filing this return. Use an employer identification number (EIN) to identify partnerships, corporations, and estates or trusts. For individuals, use a social security number (SSN) or individual taxpayer identification number (ITIN).

Include the suite, room, or other unit number after the street address. If the Post Office does not deliver mail to the street address and the U.S. person has a P.O. box, show the box number instead.

Foreign address. Enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code, if any. Do not abbreviate the country name.

Item A—Category of Filer

Check the box for each category that describes the person filing the form. If more than one category applies, check all boxes that apply. See *Categories of Filers*, earlier.

Item C

Enter the filer's share of nonrecourse liabilities, partnership-level qualified

nonrecourse financing, and other liabilities. Nonrecourse liabilities are those liabilities of the partnership for which no partner bears the economic risk of loss. The extent to which a partner bears the economic risk is determined under the rules of Regulations section 1.752-2.

"Qualified nonrecourse financing" generally includes financing:

- For which no one is personally liable for repayment,
- That is borrowed for use in an activity of holding real property, and
- That is borrowed from a qualified person (defined in section 49(a)(1)(D)(iv)) or is lent or guaranteed by a federal, state, or local government.

See section 465(b)(6) for more information on qualified nonrecourse financing.

Item D—Identification of Common Parent

If the person filing the form is a member of a consolidated group, but not the parent, list the name, address, and EIN of the filer's common parent.

Item E

Information about certain partners.

If you are reporting information about other persons under the multiple Category 1 filers exception, or are reporting information about members of your affiliated group of corporations under the consolidated return exception (see *Exceptions to Filing*, earlier), identify each such person in Item E. List their names, addresses, and identifying numbers. Also, indicate whether each person is a Category 1 filer or Category 2 filer, and whether such person constructively owned an interest in the foreign partnership during the tax year of the partnership listed at the top of page 1 of Form 8865. See *Constructive ownership*, earlier.

Item F1

For the foreign partnership's address, enter the city, province or state, and the foreign country in that order. Follow the foreign country's practice in placing the postal code in the address. Do not abbreviate the country name. If the partnership receives its mail in care of a third party (such as an accountant or attorney), enter "C/O" followed by the third party's name and street address or P.O. box.

Item F2(b)

A reference ID number (defined below) is required on line F2(b) only in cases where no EIN was entered on line F2(a) for the foreign partnership. However, filers are permitted to enter both an EIN on line F2(a) and a reference ID number on line F2(b). If applicable, enter the reference ID number you have assigned to the foreign partnership identified on line F1.

A "reference ID number" is a number established by or on behalf of the U.S. person identified at the top of page 1 of the form that is assigned to a foreign partnership with respect to which Form 8865 reporting is required. These numbers are used to uniquely identify the foreign partnership in order to keep track of the partnership from tax year to tax year.

The reference ID number must meet the requirements set forth below.

Note. Because reference ID numbers are established by or on behalf of the U.S. person filing Form 8865, there is no need to apply to the IRS to request a reference ID number or for permission to use these numbers.

Note. Generally, the reference ID number assigned to a foreign partnership on Form 8865 has relevance only on Form 8865 and should not be used with respect to that foreign partnership on other IRS forms. However, the foreign partnership's reference ID number should also be entered on Form 8858 if the foreign partnership is listed as a tax owner of a foreign disregarded entity on Form 8858. See the instructions for Form 8858, line 3c(2) for more information

Requirements

The reference ID number that is entered in item F2(b) must be alphanumeric and no special characters or spaces are permitted. The length of a given reference ID number is limited to 50 characters.

The same reference ID number must be used consistently from tax year to tax year with respect to a given foreign partnership. If for any reason a reference ID number falls out of use (for example, the foreign partnership

no longer exists due to disposition or liquidation), the reference ID number used for that foreign partnership cannot be used again for another foreign partnership for purposes of Form 8865 reporting.

There are some situations that warrant correlation of a new reference ID number with a previous reference ID number when assigning a new reference ID number to a foreign partnership. For example:

- In the case of a merger or acquisition, a Form 8865 filer must use a reference ID number which correlates the previous reference ID number with the new reference ID number assigned to the foreign partnership.
- In the case of a foreign partnership that has made an entity classification election on Form 8832, Regulations section 301.6109-1(b)(2)(v) requires the foreign partnership to obtain an EIN in order to make the entity classification election on Form 8832. For the first year that the foreign partnership files Form 8865 after making an entity classification on Form 8832, the foreign partnership is required to enter the new EIN on line F2(a) of Form 8865 and the old reference ID number on line F2(b) of Form 8865. The foreign partnership may continue to enter both the EIN and the reference ID number in subsequent years, but must enter at least the EIN on line F2(a).

You must correlate the reference ID numbers as follows: New reference ID number (space) Old reference ID number. If there is more than one old reference ID number, you must enter a space between each such number. As indicated above, the length of a given reference ID number is limited to 50 characters and each number must be alphanumeric and no special characters are permitted.

Note. This correlation requirement applies only to the first year the new reference ID number is used.

Item F6—Principal Business Activity Code

If the foreign partnership filed Form 1065 or 1065-B. Enter the business code shown in Item C of the Form 1065 or 1065-B filed by the partnership.

If the foreign partnership did not file Form 1065 or 1065-B. Enter the applicable business code from *Codes for Principal Business Activity and Principal Product or Service* near the end of the instructions. If the information necessary to apply the total receipts test is not available, pick a principal business activity code using the information you have about the partnership.

Item F8a—Functional Currency

Enter the foreign partnership's functional currency. See sections 985 through 989 and the regulations thereunder. If the partnership had more than one qualified business unit (QBU), attach a statement identifying each QBU, its country of operation, and its functional currency. A QBU is any separate and clearly identified unit of a trade or business of the partnership which maintains separate books and records.

Hyperinflationary exception. A partnership that has a hyperinflationary currency as its functional currency is subject to special rules set forth in Regulations section 1.985-3. Under these rules, a partnership must use the U.S. dollar as its functional currency.

Item F8b—Exchange Rate

When translating functional currency to U.S. dollars, you must use the method specified in sections 985 through 989 and the regulations thereunder. But, regardless of the specific method required, all exchange rates must be reported using a "divide-by convention" rounded to at least four places. That is, the exchange rate must be reported in terms of the amount by which the functional currency amount must be divided in order to reflect an equivalent amount of U.S. dollars. As such, the exchange rate must be reported as the units of foreign currency that equal one U.S. dollar, rounded to at least four places. Do not report the exchange rate as the number of U.S. dollars that equal one unit of foreign currency.

Note. You must round the result to more than four places if failure to do so would materially distort the exchange rate or the equivalent amount of U.S. dollars.

Item G2

If the foreign partnership was required to file Form 1065 or Form 1065-B for the partnership's tax year listed at the top of page 1 (Form 8865), check the applicable box and enter the IRS Service Center where the form was or will be filed (or enter "e-file" if the form was or will be filed electronically). Also, check the applicable box(es) if the foreign partnership was required to file (for the calendar year ending with or within the foreign partnership's tax year) Form 8804, Annual Return for Partnership Withholding Tax (Section 1446), or Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons.

Item G6

Note. Only Category 1 and 2 filers are required to complete Item G6. Enter the number of Forms 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, attached to Form 8865. A disregarded entity is an entity that is disregarded as an entity separate from its owner under Regulations section 301.7701-3. The partnership is the tax owner of the foreign disregarded entity if it owns the assets and liabilities of the foreign disregarded entity for purposes of U.S. income tax law.

If the foreign partnership is the tax owner of a foreign disregarded entity and you are a Category 1 or 2 filer of Form 8865, complete and attach Form 8858 to Form 8865. For more information, see the instructions for Form 8858.

Item G8—Separate Units

Note. Only Category 1 filers are required to answer Item G8. Indicate whether the partnership owned any interest in a separate unit. In general, a separate unit is:

1. A foreign branch that is owned either directly by a domestic corporation or indirectly by a domestic corporation through ownership of a partnership or trust interest,
2. An interest in a partnership,
3. An interest in a trust, or
4. An interest in a hybrid entity.

See Regulations section 1.1503-2(c) (3), (4), or 1.1503(d)-1(b)(4) for more information on separate units. Attach a statement identifying each separate unit and its country of operation.

Item G9

Note. Only Category 1 filers are required to answer Item G9.

Answer "Yes" to Item G9 if the partnership meets both of the requirements shown on the form. Total receipts is defined as the sum of gross receipts or sales (Schedule B, line 1a); all other income reported on Schedule B (lines 4 through 7); income reported on Schedule K, lines 3a, 5, 6a, and 7; income or net gain reported on Schedule K, lines 8, 9a, 10 and 11; and income or net gain reported on Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation, lines 2, 19, and 20a.

Signature

Filer. Do not sign Form 8865 if you are filing it as an attachment to your income tax return. Sign the return only if you are filing Form 8865 separately because you are not required to file a U.S. income tax return. See *When To File*, earlier, for more information.

Paid preparer. Do not sign Form 8865 or complete the paid preparer section at the bottom of the form if Form 8865 is filed as an attachment to an income tax return. Sign Form 8865 and complete the paid preparer section only if Form 8865 is filed separately.

Schedule A—Constructive Ownership of Partnership Interest

All filers must complete Schedule A. Check box a if the person filing the return owns a direct interest in the foreign partnership. Check box b if the person filing the return constructively owns an interest in the foreign partnership. See *Constructive ownership*, earlier.

Category 1 and 2 filers. Category 1 and 2 filers must list the persons (U.S. and foreign) whose interests in the foreign partnership they constructively owned during the partnership tax year.

Category 3 and 4 filers. Category 3 and 4 filers must list the persons (U.S. and foreign) whose interests in the foreign partnership they constructively owned during the filer's tax year that the reportable transfer or "reportable event" occurred.

Schedule A-1—Certain Partners of Foreign Partnership

All Category 1 and certain Category 3 filers must complete Schedule A-1. Any person already listed on Schedule A is not required to be listed again on Schedule A-1.

Category 1 filers. Category 1 filers must list all U.S. persons who owned at least a 10% direct interest in the foreign partnership during the partnership's tax year listed at the top of page 1 of Form 8865.

Category 3 filers. Category 3 filers must list:

- Each U.S. person that owned a 10% or greater direct interest in the foreign partnership during the Category 3 filer's tax year, and
- Any other person related to the Category 3 filer that was a direct partner in the foreign partnership during that tax year.

See Regulations section 1.6038B-2(i)(4) for the definition of a related person.

Exception. Category 3 filers who only transferred cash and did not own a 10% or greater interest in the transferee partnership after the transfer are not required to complete Schedule A-1.

Schedule A-2—Affiliation Schedule

All filers must complete Schedule A-2. List on Schedule A-2 all partnerships (foreign or domestic) in which the foreign partnership owned a direct interest, or a 10% indirect interest (under the rules of section 267(c)(1) and (5)) during the partnership tax year listed at the top of page 1, Form 8865.

Category 1 filers. Only Category 1 filers must complete the ordinary income or loss column. In that column, report the foreign partnership's share of ordinary income (even if not received) or loss from partnerships in which the foreign partnership owns a direct interest. The total amount of ordinary income or loss from each partnership must also be included on line 4 of Schedule B.

Schedule B—Income Statement—Trade or Business Income

Important: You do not need to complete Schedule B if you have attached a copy of page 1 from Form 1065, or Parts I and II of Form 1065-B, filed by the foreign partnership.

All Category 1 filers must complete Schedule B.

Specific Instructions for Schedule B

For specific instructions for Schedule B, see the Instructions for Form 1065. Use the specific instructions for Page 1 of Form 1065, *Income and Deductions*. If the foreign partnership files Form 1065-B, use the specific instructions for Parts I and II of Form 1065-B in the Instructions for Form 1065-B.

TIP You can view or download the instructions for Form 1065 or Form 1065-B at www.irs.gov/formspubs/. Also, these instructions can be ordered by calling 1-800-829-3676 (1-800-TAX-FORM).

Schedule D—Capital Gains and Losses

Important: Form 8865 filers use Schedule D (Form 1065), Capital Gains and Losses, to report capital gains and losses. You do not need to complete a separate Schedule D (Form 1065) if you have attached to Form 8865 a copy of the Schedule D from Form 1065 or Form 1065-B filed by the foreign partnership.

All Category 1 filers must complete Schedule D (Form 1065) to report sales or exchanges of capital assets, capital gain distributions, and nonbusiness bad debts. See the Instructions for Schedule D (Form 1065).

TIP You can view or download the Schedule D (Form 1065) and the Instructions for Schedule D (Form 1065) at www.irs.gov/formspubs/. Also, the form and its instructions can be ordered by calling 1-800-829-3676 (1-800-TAX-FORM).

Schedules K and K-1—Partners' Distributive Share Items

Important: You do not need to complete Schedules K or K-1 if you have attached to Form 8865 a copy of the Schedules K or K-1 from Form 1065 or Form 1065-B filed by the foreign partnership.

Schedule K

Schedule K is a summary schedule of all of the partners' shares of the partnership income, credits, deductions, etc. Only Category 1 filers must complete Schedule K.

Schedule K-1

Schedule K-1 is used to report a specific partner's share of the partnership income, deductions, credits, etc.

All Category 1 and 2 filers must complete Schedule K-1 for any direct interest they hold in the partnership. A Category 1 or 2 filer that does not own a direct interest is not required to complete Schedule K-1.

Category 1 filers must also complete Schedule K-1 for each U.S. person that directly owns a 10% or greater direct interest in the partnership.

Provide the partner's beginning and year-end percentage interest in partnership profits, losses, capital, or deductions. These percentages should include any interest constructively owned by the filer.

Complete boxes 1 through 20 for any direct interest that the partner owns in the partnership.

Example. Partner A owns a 45% direct interest in foreign partnership (FPS). Partner A also owns 100% of the stock of a domestic corporation (DC), which owns a 10% direct interest in FPS. Therefore, Partner A is considered to own a 55% interest in FPS and is thus a Category 1 filer. When Partner A completes Schedule K-1 for itself, Partner A must report the distributive share of items allocated to Partner A's direct interest of 45% but not any items allocated to DC's 10% interest. When Partner A completes Schedule K-1 for DC (which Partner A must do because DC owns a direct 10% interest), Partner A must report on DC's Schedule K-1

only items allocated to DC's direct 10% interest.

Although the partnership is not subject to income tax, the partners are liable for tax on their shares of the partnership income, whether or not distributed, and must include their share of such items on their tax returns.

Allocations of income, gains, losses, deductions, or credits among the partners generally should be made according to the partnership agreement. See section 704 and the regulations thereunder.

General Reporting Instructions for Schedule K-1

On each Schedule K-1, enter the information about the partnership and the partner in Parts I and II of the schedule (Items A through F). For Items E and F in Part II of Schedule K-1, see the instructions for the corresponding Items J and L of Schedule K-1 (Form 1065) in the instructions for Form 1065 under the heading *Specific Instructions (Schedule K-1 Only)*. In Part III, enter the partner's distributive share of each item of income, deduction, and credit and any other information the partner needs to prepare the partner's tax return.

Item A2

Enter the reference ID number used on Form 8865, line F2(b). For details, see the instructions for Item F2(b), earlier.

Codes. In box 11 and boxes 13 through 20, identify each item by entering a code in the column to the left of the dollar amount entry space. These codes are identified on the back of Schedule K-1.

Attached statements. Enter an asterisk (*) after the code, if any, in the column to the left of the dollar amount entry space for each item for which you have attached a statement providing additional information. For those informational items that cannot be reported as a single dollar amount, enter the code and asterisk in the left column and write "STMT" in the dollar amount entry space to indicate the information is provided on an attached statement.

More than one attached statement can be placed on the same sheet of

paper and should be identified in alphanumeric order by box number followed by the letter code (if any). For example: "Box 20, Code T—Depletion information—oil and gas" (followed by the information the partner needs).

Too few entry spaces on Schedule K-1? If there are more coded items than the number of spaces in box 11 or boxes 13 through 20, do not enter a code or dollar amount in the last entry space of the box. In the last entry space, enter an asterisk in the left column and enter "STMT" in the entry space to the right. Report the additional items on an attached statement and provide the box number, the code, description, and dollar amount or information for each additional item. For example: "Box 15, Code J—Work opportunity credit—\$1,000."

Specific Instructions for Schedules K and K-1

For the specific instructions for Schedules K and K-1, see the Instructions for Form 1065. If the foreign partnership files Form 1065-B, use the specific instructions for Schedules K and K-1 of Form 1065-B in the Instructions for Form 1065-B.

Schedule L—Balance Sheets per Books

Important: You do not need to complete Schedule L if you have attached to Form 8865 a copy of the Schedule L from Form 1065 or Form 1065-B filed by the foreign partnership.

The balance sheets should agree with the partnership's books and records. Attach a statement explaining any differences.

Only Category 1 filers are required to complete Schedule L.

If you answered "Yes" to Item G9 on page 1 of Form 8865, you do not have to complete Schedule L.

Schedule L requires balance sheets prepared and translated into U.S. dollars in accordance with U.S. generally accepted accounting principles (GAAP).

Exception. If the partnership or any qualified business unit of the partnership uses the dollar approximate separate transactions

method (DASTM), Schedule L should reflect the tax balance sheets prepared and translated into U.S. dollars according to Regulations section 1.985-3(d).

Schedule M—Balance Sheets for Interest Allocation

All Category 1 filers must complete Schedule M. Schedule M should reflect the book values of the partnership's assets, as described in Temporary Regulations sections 1.861-9T(g)(2) and 1.861-12T. Assets should be characterized as U.S. assets or foreign assets in one or more separate limitation categories as provided in Temporary Regulations sections 1.861-9T(g)(3) and 1.861-12T. The balance sheets should be prepared in U.S. dollars under Temporary Regulations section 1.861-9T(g)(2)(ii).

Exception. If the partnership or any qualified business unit of the partnership uses DASTM, Schedule M should reflect the tax balance sheet prepared in U.S. dollars under Regulations section 1.985-3(d). See Temporary Regulations section 1.861-9T(g)(2)(ii)(A)(2) for more information on DASTM.

Line 2. Enter the partnership's foreign assets according to the following income limitation categories:

- Passive category.
- General category.
- Other (attach statement).

See the instructions for line 16 of Schedule K and section 904(d) for more information.

Schedule M-1—Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Important: You do not need to complete Schedule M-1 if you have attached to Form 8865 a copy of the Schedule M-1 from Form 1065 or Form 1065-B filed by the foreign partnership.

Form 8865 filers are not required to complete Schedule M-3 (Form 1065), Net Income (Loss) Reconciliation for Certain Partnerships.

Only Category 1 filers are required to complete Schedule M-1. If you answered "Yes" to Item G9 on page 1 of Form 8865, you do not have to complete Schedule M-1.

Specific Instructions for Schedule M-1

For the specific instructions for Schedule M-1, see the Instructions for Form 1065. If the foreign partnership files Form 1065-B, use the specific instructions for Schedule M-1 of Form 1065-B in the Instructions for Form 1065-B.

Schedule M-2—Analysis of Partners' Capital Accounts

Important: You do not need to complete Schedule M-2 if you have attached to Form 8865 a copy of the Schedule M-2 from Form 1065 or Form 1065-B filed by the foreign partnership.

Only Category 1 filers are required to complete Schedule M-2. If you answered "Yes" to Item G9 on page 1 of Form 8865, you do not have to complete Schedule M-2.

Specific Instructions for Schedule M-2

For the specific instructions for Schedule M-2, see the Instructions for Form 1065. If the foreign partnership files Form 1065-B, use the specific instructions for Schedule M-2 of Form 1065-B in the Instructions for Form 1065-B.

Schedule N—Transactions Between Controlled Foreign Partnership and Partners or Other Related Entities

All Category 1 filers must complete Schedule N and report all transactions of the foreign partnership during the tax year of the partnership listed on the top of page 1 of Form 8865. A Category 1 filer filing a Form 8865 for other Category 1 filers under the multiple Category 1 filers exception must complete a Schedule N for itself and a separate Schedule N for each Category 1 filer not filing Form 8865.

Category 2 filers are required to complete columns (a), (b), and (c) of Schedule N. Category 2 filers do not have to complete column (d).

Column (a). Use column (a) to report transactions between the foreign partnership and the person filing the Form 8865.

Column (d). Use column (d) to report transactions between the foreign partnership and any U.S. person with a 10% or more direct interest in the foreign partnership. If such person also qualifies under column (b), do not report transactions between the foreign partnership and that person under column (d). Report the transactions only under column (b).

Lines 6 and 16. Enter distributions received from other partnerships and distributions from the foreign partnership for which this form is being completed.

Lines 20 and 21. Enter the largest outstanding balances during the year of gross amounts borrowed from, and gross amounts lent to, the related parties described in columns (a) through (d). Do not enter aggregate cash flows, year-end loan balances, average balances, or net balances. Do not include open account balances resulting from sales and purchases reported under other items listed on Schedule N that arise and are collected in full in the ordinary course of business.

Schedule O—Transfer of Property to a Foreign Partnership

Note. Category 3 filers must complete Schedule O.

Reference ID number. Use the reference ID number shown on Form 8865, line F2(b). For details, see the instructions for Item F2(b), earlier.

Part I—Transfers Reportable Under Section 6038B

Part I is used to report the transfer of property to a foreign partnership. Provide the information required in columns (a) through (g) with respect to each contribution of property to the foreign partnership that must be reported. If you contributed property with a FMV greater than its tax basis (appreciated property), or intangible property, provide the information required in columns (a) through (g) separately with respect to each item of property transferred (except to the extent you are allowed to aggregate

the property under Regulations sections 1.704-3(e)(2), (3), and (4)). Provide a general description of each item of property in the *Supplemental Information Required To Be Reported* section. For all other property contributed, aggregate by the categories listed in Part I.

Column (a). Enter the date of the transfer. If the transfer was composed of a series of transactions over multiple dates, enter the date the transfer was completed.

Column (b). Enter the number of items of property transferred.

Column (c). Enter the FMV of the property contributed (measured as of the date of the transfer).

Column (d). Enter your adjusted basis in the property contributed on the date of the transfer. See sections 1011 through 1016 for more information on the determination of adjusted basis.

Column (e). If you contributed appreciated property, enter the method (traditional, traditional with curative allocations, or remedial) used by the partnership to make section 704(c) allocations with respect to each item of property. See Regulations section 1.704-3(b), (c), and (d) for more information on these allocation methods.

Column (f). Enter the amount of gain, if any, recognized on the transfer. See sections 721(b) and 904(f)(3).

Column (g). Enter your percentage interest in the partnership immediately after the transfer. To the extent your percentage interest in the partnership differs among capital, profits, losses, or deductions, enter "See Below" and state the different percentages.

Supplemental information required to be reported. Enter any information from Part I that is required to be reported in greater detail. Identify the applicable column number next to the information entered in this section. In addition, if you contributed property to a foreign partnership as part of a wider transaction, briefly describe the entire transaction.

Part II—Dispositions Reportable Under Section 6038B

Use Part II to report certain dispositions by a foreign partnership. If you were required to report a transfer of appreciated property to the partnership, and the partnership disposes of the property while you are still a direct or constructive partner, you must report that disposition in Part II. If the partnership disposes of the property in a nonrecognition transaction and receives in exchange substituted basis property, report the subsequent disposition of the substituted basis property in the same manner as provided for the contributed property. See section 7701(a)(42) for the definition of substituted basis property and Regulations section 1.704-3(a)(8) for more information.

Column (a). Provide a brief description of the property disposed of by the partnership. If you are reporting the disposition of substituted basis property received by the partnership in a nonrecognition transaction in exchange for appreciated property contributed by you, enter "See Attached." Attach a statement providing brief descriptions of both the property contributed by you to the partnership and the substituted basis property received by the partnership in exchange for that property.

Column (b). Enter the date that you transferred this property to the partnership. If you are reporting the disposition of substituted basis property received by the partnership in a nonrecognition transaction in exchange for property previously contributed by you, enter "See Attached." Attach a statement showing both the date you transferred the appreciated property to the partnership and the date the partnership exchanged the property for substituted basis property in a nonrecognition transaction. See Regulations section 1.6038B-2.

Column (c). Enter the date that the partnership disposed of the property.

Column (d). Briefly describe how the partnership disposed of the property (for example, by sale or exchange).

Column (e). Enter the amount of gain, if any, recognized by the partnership on the disposition of property.

Column (f). Enter the amount of depreciation recapture, if any, recognized by the partnership on the disposition of property. See Regulations section 1.1245-1(e) and 1.1250-1(f).

Column (g). Enter the amount of gain from column (e) allocated to you.

Column (h). Enter the amount of depreciation recapture from column (f) allocated to you. See Regulations sections 1.1245-1(e) and 1.1250-1(f). If you recognize any section 1254 recapture on the partnership's disposition of natural resource recapture property, enter "See Attached" and attach a statement calculating the amount of recapture. See Regulations section 1.1254-5.

Part III—Gain Recognition Under Section 904(f)(3) or (f)(5) (F)

If gain recognition was required with respect to any transfer reported in Part I under section 904(f)(3) and (f)(5)(F), attach a statement identifying the transfer and the amount of gain recognized.

Schedule P—Acquisitions, Dispositions, and Changes of Interests in a Foreign Partnership

Use Schedule P to report the acquisition, disposition, and change of interest in a foreign partnership.

Every Category 4 filer must complete Schedule P.

Reference ID number. Use the reference ID number shown on Form 8865, line F2(b). For details, see the instructions for Item F2(b), earlier.

Part I—Acquisitions

Part I is completed by Category 4 filers required to report an acquisition of an interest in a foreign partnership. See *Categories of Filers*, earlier, for more details about which types of acquisitions must be reported.

Column (a). If you acquired the interest in the foreign partnership by purchase, gift, inheritance, or in a distribution from a trust, estate,

partnership, or corporation, enter the name, address, and identifying number (if any) of the person from whom you acquired the interest.

Column (b). Enter the date of the acquisition. If the acquisition was composed of a series of transactions over multiple dates, enter the date the acquisition was completed.

Column (c). Enter the FMV of the interest you acquired in the partnership (measured as of the date of acquisition).

Column (d). Enter your basis in the acquired partnership interest (measured as of the date of acquisition). See sections 722 and 742.

Columns (e) and (f). Enter your total direct percentage interest in the partnership both before and immediately after the acquisition. To the extent your direct percentage interest in the partnership differs among capital, profits, losses, or deductions, enter "See Below" and state the different percentages in Part IV.

Part II—Dispositions

This section is completed by U.S. persons who are Category 4 filers because they disposed of an interest in a foreign partnership. See [Categories of Filers](#), earlier, for more details about what types of dispositions must be reported. For each disposition reported in Part II, indicate in Part IV whether a statement is required by Regulations section 1.751-1(a)(3) to be filed with respect to the disposition.

Column (a). Unless you disposed of the interest by withdrawing, in whole or in part, from the partnership, enter the name, address, and identifying number (if any) of the person to whom you transferred the interest in the foreign partnership.

Column (b). Enter the date of the disposition. If the disposition was composed of a series of transactions over multiple dates, enter the date the disposition was completed.

Column (c). Enter the FMV of the interest you disposed of in the partnership (measured as of the date of disposition). If you recognized gain or loss on the disposition, state the amount of gain or loss in Part IV. See section 741.

Column (d). Enter your adjusted basis in the partnership interest disposed of immediately before the disposition. See section 705.

Columns (e) and (f). Enter your total direct percentage interest in the partnership both before and immediately after the disposition. To the extent your percentage interest in the partnership differs among capital, profits, losses, or deductions, enter "See Below" and state the different percentages in Part IV.

Part III—Change in Proportional Interest

This section is completed by U.S. persons who are Category 4 filers because their direct proportional interest in the foreign partnership changed. See [Categories of Filers](#), earlier, for more details about which

changes in proportional interest must be reported.

Column (a). Briefly describe the event that caused your interest in the partnership to change (for example, the admission of a new partner).

Column (b). Enter the date of the change. If the change resulted from a series of transactions over multiple dates, enter the date the change was completed.

Column (c). Enter the FMV of your interest in the partnership immediately before the change.

Column (d). Enter your basis in your partnership interest immediately before the change.

Columns (e) and (f). Enter your direct percentage interest in the partnership both before and immediately after the change. To the extent your percentage interest in the partnership differs among capital, profits, losses, or deductions, enter "See Below" and state the different percentages in Part IV.

Part IV—Supplemental Information Required To Be Reported

Enter any information asked for in Part I, Part II, or Part III that must be reported in detail. Identify the applicable part number and column next to the information entered in Part IV.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form and its schedules to carry out the Internal Revenue laws of the United States. We need this information to ensure that you are complying with the revenue laws and to allow us to figure and collect the right amount of tax. Sections 6038, 6038B, and 6046A require you to provide this information. Section 6109 requires you to provide your identification number. Failure to provide all of the requested information in a timely manner or providing false information may subject you to penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103. However, section 6103 allows or requires the Internal Revenue Service to disclose or give such information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

The time needed to complete and file this form and related schedule will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below.

Form	Recordkeeping	Learning about the law or the form	Preparing, copying, assembling, and sending the form to the IRS
8865	66 hr., 58 min.	23 hr., 11 min.	36 hr., 5 min.
Schedule K-1 (Form 8865)	13 hr., 38 min.	41 min.	57 min.
Schedule O (Form 8865)	12 hr., 12 min.	2 hr., 22 min.	2 hr., 41 min.
Schedule P (Form 8865)	5 hr., 15 min.	35 min.	42 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form and related schedules simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed. If you do not have to file a tax return, see the instructions for the return you would be required to file.

Codes for Principal Business Activity and Principal Product or Service

This list of Principal Business Activities and their associated codes is designed to classify an enterprise by the type of activity in which it is engaged to facilitate the administration of the Internal Revenue Code. These Principal Business Activity Codes are based on the North American Industry Classification System.

Using the list of activities and codes below, determine from which activity the business derives the largest percentage of its "total receipts." Total receipts is defined as the sum of gross receipts or sales (Schedule B, line 1a); all other income reported on Schedule B, lines 4 through 7; income reported on Schedule K, lines 3a, 5, 6a, and 7; income or net gain reported on Schedule K, lines 8, 9a, 10, and 11; and income or net gain reported on Form 8825, lines 2, 19, and 20a. If the business purchases raw materials and supplies them to a

subcontractor to produce the finished product, but retains title to the product, the business is considered a manufacturer and must use one of the manufacturing codes (31110-339900).

Once the Principal Business Activity is determined, enter the six-digit code from the list below on page 1, Item F6. Also enter a brief description of the business activity in Item F7.

<p>Agriculture, Forestry, Fishing and Hunting</p> <p>Crop Production</p> <p>111100 Oilseed & Grain Farming</p> <p>111210 Vegetable & Melon Farming (including potatoes & yams)</p> <p>111300 Fruit & Tree Nut Farming</p> <p>111400 Greenhouse, Nursery, & Floriculture Production</p> <p>111900 Other Crop Farming (including tobacco, cotton, sugarcane, hay, peanut, sugar beet & all other crop farming)</p> <p>Animal Production</p> <p>112111 Beef Cattle Ranching & Farming</p> <p>112112 Cattle Feedlots</p> <p>112120 Dairy Cattle & Milk Production</p> <p>112210 Hog & Pig Farming</p> <p>112300 Poultry & Egg Production</p> <p>112400 Sheep & Goat Farming</p> <p>112510 Aquaculture (including shellfish & finfish farms & hatcheries)</p> <p>112900 Other Animal Production</p> <p>Forestry and Logging</p> <p>113110 Timber Tract Operations</p> <p>113210 Forest Nurseries & Gathering of Forest Products</p> <p>113310 Logging</p> <p>Fishing, Hunting and Trapping</p> <p>114110 Fishing</p> <p>114210 Hunting & Trapping</p> <p>Support Activities for Agriculture and Forestry</p> <p>115110 Support Activities for Crop Production (including cotton ginning, soil preparation, planting, & cultivating)</p> <p>115210 Support Activities for Animal Production</p> <p>115310 Support Activities For Forestry</p>	<p>237210 Land Subdivision</p> <p>237310 Highway, Street, & Bridge Construction</p> <p>237990 Other Heavy & Civil Engineering Construction</p> <p>Specialty Trade Contractors</p> <p>238100 Foundation, Structure, & Building Exterior Contractors (including framing carpentry, masonry, glass, roofing, & siding)</p> <p>238210 Electrical Contractors</p> <p>238220 Plumbing, Heating, & Air-Conditioning Contractors</p> <p>238290 Other Building Equipment Contractors</p> <p>238300 Building Finishing Contractors (including drywall, insulation, painting, wallcovering, flooring, tile, & finish carpentry)</p> <p>238900 Other Specialty Trade Contractors (including site preparation)</p>	<p>Wood Product Manufacturing</p> <p>321110 Sawmills & Wood Preservation</p> <p>321210 Veneer, Plywood, & Engineered Wood Product Mfg</p> <p>321900 Other Wood Product Mfg</p> <p>Paper Manufacturing</p> <p>322100 Pulp, Paper, & Paperboard Mills</p> <p>322200 Converted Paper Product Mfg</p> <p>Printing and Related Support Activities</p> <p>323100 Printing & Related Support Activities</p> <p>Petroleum and Coal Products Manufacturing</p> <p>324110 Petroleum Refineries (including integrated)</p> <p>324120 Asphalt Paving, Roofing, & Saturated Materials Mfg</p> <p>324190 Other Petroleum & Coal Products Mfg</p> <p>Chemical Manufacturing</p> <p>325100 Basic Chemical Mfg</p> <p>325200 Resin, Synthetic Rubber, & Artificial & Synthetic Fibers & Filaments Mfg</p> <p>325300 Pesticide, Fertilizer, & Other Agricultural Chemical Mfg</p> <p>325410 Pharmaceutical & Medicine Mfg</p> <p>325500 Paint, Coating, & Adhesive Mfg</p> <p>325600 Soap, Cleaning Compound, & Toilet Preparation Mfg</p> <p>325900 Other Chemical Product & Preparation Mfg</p> <p>Plastics and Rubber Products Manufacturing</p> <p>326100 Plastics Product Mfg</p> <p>326200 Rubber Product Mfg</p> <p>Nonmetallic Mineral Product Manufacturing</p> <p>327100 Clay Product & Refractory Mfg</p> <p>327210 Glass & Glass Product Mfg</p> <p>327300 Cement & Concrete Product Mfg</p> <p>327400 Lime & Gypsum Product Mfg</p> <p>327900 Other Nonmetallic Mineral Product Mfg</p> <p>Primary Metal Manufacturing</p> <p>331110 Iron & Steel Mills & Ferroalloy Mfg</p> <p>331200 Steel Product Mfg from Purchased Steel</p> <p>331310 Alumina & Aluminum Production & Processing</p> <p>331400 Nonferrous Metal (except Aluminum) Production & Processing</p> <p>331500 Foundries</p> <p>Fabricated Metal Product Manufacturing</p> <p>332110 Forging & Stamping</p> <p>332210 Cutlery & Handtool Mfg</p> <p>332300 Architectural & Structural Metals Mfg</p> <p>332400 Boiler, Tank, & Shipping Container Mfg</p> <p>332510 Hardware Mfg</p> <p>332610 Spring & Wire Product Mfg</p>	<p>332700 Machine Shops; Turned Product; & Screw, Nut, & Bolt Mfg</p> <p>332810 Coating, Engraving, Heat Treating, & Allied Activities</p> <p>332900 Other Fabricated Metal Product Mfg</p> <p>Machinery Manufacturing</p> <p>333100 Agriculture, Construction, & Mining Machinery Mfg</p> <p>333200 Industrial Machinery Mfg</p> <p>333310 Commercial & Service Industry Machinery Mfg</p> <p>333410 Ventilation, Heating, Air-Conditioning, & Commercial Refrigeration Equipment Mfg</p> <p>333510 Metalworking Machinery Mfg</p> <p>333610 Engine, Turbine & Power Transmission Equipment Mfg</p> <p>333900 Other General Purpose Machinery Mfg</p> <p>Computer and Electronic Product Manufacturing</p> <p>334110 Computer & Peripheral Equipment Mfg</p> <p>334200 Communications Equipment Mfg</p> <p>334310 Audio & Video Equipment Mfg</p> <p>334410 Semiconductor & Other Electronic Component Mfg</p> <p>334500 Navigational, Measuring, Electromedical, & Control Instruments Mfg</p> <p>334610 Manufacturing & Reproducing Magnetic & Optical Media</p> <p>Electrical Equipment, Appliance, and Component Manufacturing</p> <p>335100 Electric Lighting Equipment Mfg</p> <p>335200 Household Appliance Mfg</p> <p>335310 Electrical Equipment Mfg</p> <p>335900 Other Electrical Equipment & Component Mfg</p> <p>Transportation Equipment Manufacturing</p> <p>336100 Motor Vehicle Mfg</p> <p>336210 Motor Vehicle Body & Trailer Mfg</p> <p>336300 Motor Vehicle Parts Mfg</p> <p>336410 Aerospace Product & Parts Mfg</p> <p>336510 Railroad Rolling Stock Mfg</p> <p>336610 Ship & Boat Building</p> <p>336990 Other Transportation Equipment Mfg</p> <p>Furniture and Related Product Manufacturing</p> <p>337000 Furniture & Related Product Manufacturing</p> <p>Miscellaneous Manufacturing</p> <p>339110 Medical Equipment & Supplies Mfg</p> <p>339900 Other Miscellaneous Manufacturing</p>
<p>Mining</p> <p>211110 Oil & Gas Extraction</p> <p>212110 Coal Mining</p> <p>212200 Metal Ore Mining</p> <p>212310 Stone Mining & Quarrying</p> <p>212320 Sand, Gravel, Clay, & Ceramic & Refractory Minerals Mining & Quarrying</p> <p>212390 Other Nonmetallic Mineral Mining & Quarrying</p> <p>213110 Support Activities for Mining</p>	<p>Manufacturing</p> <p>Food Manufacturing</p> <p>311110 Animal Food Mfg</p> <p>311200 Grain & Oilseed Milling</p> <p>311300 Sugar & Confectionery Product Mfg</p> <p>311400 Fruit & Vegetable Preserving & Specialty Food Mfg</p> <p>311500 Dairy Product Mfg</p> <p>311610 Animal Slaughtering and Processing</p> <p>311710 Seafood Product Preparation & Packaging</p> <p>311800 Bakeries, Tortilla & Dry Pasta Mfg</p> <p>311900 Other Food Mfg (including coffee, tea, flavorings & seasonings)</p> <p>Beverage and Tobacco Product Manufacturing</p> <p>312110 Soft Drink & Ice Mfg</p> <p>312120 Breweries</p> <p>312130 Wineries</p> <p>312140 Distilleries</p> <p>312200 Tobacco Manufacturing</p> <p>Textile Mills and Textile Product Mills</p> <p>313000 Textile Mills</p> <p>314000 Textile Product Mills</p> <p>Apparel Manufacturing</p> <p>315100 Apparel Knitting Mills</p> <p>315210 Cut & Sew Apparel Contractors</p> <p>315220 Men's & Boys' Cut & Sew Apparel Mfg</p> <p>315240 Women's, Girls' & Infants' Cut & Sew Apparel Mfg</p> <p>315280 Other Cut & Sew Apparel Mfg</p> <p>315990 Apparel Accessories & Other Apparel Mfg</p>	<p>Leather and Allied Product Manufacturing</p> <p>316110 Leather & Hide Tanning & Finishing</p> <p>316210 Footwear Mfg (including rubber & plastics)</p> <p>316990 Other Leather & Allied Product Mfg</p>	<p>Wholesale Trade</p> <p>Merchant Wholesalers, Durable Goods</p> <p>423100 Motor Vehicle & Motor Vehicle Parts & Supplies</p> <p>423200 Furniture & Home Furnishings</p> <p>423300 Lumber & Other Construction Materials</p>
<p>Utilities</p> <p>221100 Electric Power Generation, Transmission & Distribution</p> <p>221210 Natural Gas Distribution</p> <p>221300 Water, Sewage & Other Systems</p> <p>221500 Combination Gas & Electric</p>	<p>Construction</p> <p>Construction of Buildings</p> <p>236110 Residential Building Construction</p> <p>236200 Nonresidential Building Construction</p> <p>Heavy and Civil Engineering Construction</p> <p>237100 Utility System Construction</p>		

Codes for Principal Business Activity and Principal Product or Service (Continued)

423400 Professional & Commercial Equipment & Supplies	445230 Fruit & Vegetable Markets	Transit and Ground Passenger Transportation	Nondepository Credit Intermediation
423500 Metal & Mineral (except Petroleum)	445291 Baked Goods Stores	485110 Urban Transit Systems	522210 Credit Card Issuing
423600 Household Appliances & Electrical & Electronic Goods	445292 Confectionery & Nut Stores	485210 Interurban & Rural Bus Transportation	522220 Sales Financing
423700 Hardware, & Plumbing & Heating Equipment & Supplies	445299 All Other Specialty Food Stores	485310 Taxi Service	522291 Consumer Lending
423800 Machinery, Equipment, & Supplies	445310 Beer, Wine, & Liquor Stores	485320 Limousine Service	522292 Real Estate Credit (including mortgage bankers & originators)
423910 Sporting & Recreational Goods & Supplies	Health and Personal Care Stores	485410 School & Employee Bus Transportation	522293 International Trade Financing
423920 Toy & Hobby Goods & Supplies	446110 Pharmacies & Drug Stores	485510 Charter Bus Industry	522294 Secondary Market Financing
423930 Recyclable Materials	446120 Cosmetics, Beauty Supplies, & Perfume Stores	485990 Other Transit & Ground Passenger Transportation	522298 All Other Nondepository Credit Intermediation
423940 Jewelry, Watch, Precious Stone, & Precious Metals	446130 Optical Goods Stores	Pipeline Transportation	Activities Related to Credit Intermediation
423990 Other Miscellaneous Durable Goods	446190 Other Health & Personal Care Stores	486000 Pipeline Transportation	522300 Activities Related to Credit Intermediation (including loan brokers, check clearing, & money transmitting)
Merchant Wholesalers, Nondurable Goods	Gasoline Stations	Scenic & Sightseeing Transportation	Securities, Commodity Contracts, and Other Financial Investments and Related Activities
424100 Paper & Paper Products	447100 Gasoline Stations (including convenience stores with gas)	487000 Scenic & Sightseeing Transportation	523110 Investment Banking & Securities Dealing
424210 Drugs & Druggists' Sundries	Clothing and Clothing Accessories Stores	Support Activities for Transportation	523120 Securities Brokerage
424300 Apparel, Piece Goods, & Notions	448110 Men's Clothing Stores	488100 Support Activities for Air Transportation	523130 Commodity Contracts Dealing
424400 Grocery & Related Products	448120 Women's Clothing Stores	488210 Support Activities for Rail Transportation	523140 Commodity Contracts Brokerage
424500 Farm Product Raw Materials	448130 Children's & Infants' Clothing Stores	488300 Support Activities for Water Transportation	523210 Securities & Commodity Exchanges
424600 Chemical & Allied Products	448140 Family Clothing Stores	488410 Motor Vehicle Towing	523900 Other Financial Investment Activities (including portfolio management & investment advice)
424700 Petroleum & Petroleum Products	448150 Clothing Accessories Stores	488490 Other Support Activities for Road Transportation	Insurance Carriers and Related Activities
424800 Beer, Wine, & Distilled Alcoholic Beverages	448190 Other Clothing Stores	488510 Freight Transportation Arrangement	524130 Reinsurance Carriers
424910 Farm Supplies	448210 Shoe Stores	488990 Other Support Activities for Transportation	524140 Direct Life, Health, & Medical Insurance & Reinsurance Carriers
424920 Book, Periodical, & Newspapers	448310 Jewelry Stores	Couriers and Messengers	524150 Direct Insurance & Reinsurance (except Life, Health & Medical) Carriers
424930 Flower, Nursery Stock, & Florists' Supplies	448320 Luggage & Leather Goods Stores	492110 Couriers	524210 Insurance Agencies & Brokerages
424940 Tobacco & Tobacco Products	Sporting Goods, Hobby, Book, and Music Stores	492210 Local Messengers & Local Delivery	524290 Other Insurance Related Activities (including third-party administration of insurance and pension funds)
424950 Paint, Varnish, & Supplies	451110 Sporting Goods Stores	Warehousing and Storage	Funds, Trusts, and Other Financial Vehicles
424990 Other Miscellaneous Nondurable Goods	451120 Hobby, Toy, & Game Stores	493100 Warehousing & Storage (except lessors of mini-warehouses & self-storage units)	525100 Insurance & Employee Benefit Funds
Wholesale Electronic Markets and Agents and Brokers	451130 Sewing, Needlework, & Piece Goods Stores	Information	525910 Open-End Investment Funds (Form 1120-RIC, U.S. Income Tax Return for Regulated Investment Companies)
425110 Business to Business Electronic Markets	451140 Musical Instrument & Supplies Stores	Publishing Industries (except Internet)	525920 Trusts, Estates, & Agency Accounts
425120 Wholesale Trade Agents & Brokers	451211 Book Stores	511110 Newspaper Publishers	525990 Other Financial Vehicles (including mortgage REITs and closed-end investment funds)
Retail Trade	451212 News Dealers & Newsstands	Motion Picture and Sound Recording Industries	"Offices of Bank Holding Companies" and "Offices of Other Holding Companies" are located under Management of Companies (Holding Companies) below.
Motor Vehicle and Parts Dealers	General Merchandise Stores	512100 Motion Picture & Video Industries (except video rental)	Real Estate and Rental and Leasing
441110 New Car Dealers	452110 Department Stores	512200 Sound Recording Industries	Real Estate
441120 Used Car Dealers	452900 Other General Merchandise Stores	Broadcasting (except Internet)	531110 Lessors of Residential Buildings & Dwellings (including equity REITs)
441210 Recreational Vehicle Dealers	Miscellaneous Store Retailers	515100 Radio & Television Broadcasting	531120 Lessors of Nonresidential Buildings (except Mini-warehouses) (including equity REITs)
441222 Boat Dealers	453110 Florists	515210 Cable & Other Subscription Programming	531130 Lessors of Mini-warehouses & Self-Storage Units (including equity REITs)
441228 Motorcycle, ATV, & All other Motor Vehicle Dealers	453210 Office Supplies & Stationery Stores	Telecommunications	531190 Lessors of Other Real Estate Property (including equity REITs)
441300 Automotive Parts, Accessories, & Tire Stores	453220 Gift, Novelty, & Souvenir Stores	517000 Telecommunications (including paging, cellular, satellite, cable & other program distribution, resellers, & other telecommunications, and Internet service providers)	531210 Offices of Real Estate Agents & Brokers
Furniture and Home Furnishings Stores	453310 Used Merchandise Stores	Data Processing Services	531310 Real Estate Property Managers
442110 Furniture Stores	453910 Pet & Pet Supplies Stores	518210 Data Processing, Hosting, & Related Services	531320 Offices of Real Estate Appraisers
442210 Floor Covering Stores	453920 Art Dealers	Other Information Services	
442291 Window Treatment Stores	453930 Manufactured (Mobile) Home Dealers	519100 Other Information Services (including news syndicates & libraries, Internet publishing & broadcasting)	
442299 All Other Home Furnishings Stores	453990 All Other Miscellaneous Store Retailers (including tobacco, candle, & trophy shops)	Finance and Insurance	
Electronics and Appliance Stores	Nonstore Retailers	Depository Credit Intermediation	
443141 Household Appliance Stores	454110 Electronic Shopping & Mail-Order Houses	522110 Commercial Banking	
443142 Electronic Stores (including Audio, Video, Computer, & Camera Stores)	454210 Vending Machine Operators	522120 Savings Institutions	
Building Material and Garden Equipment and Supplies Dealers	454310 Fuel Dealers (including Heating Oil and Liquefied Petroleum)	522130 Credit Unions	
444110 Home Centers	454390 Other Direct Selling Establishments (including door-to-door retailing, frozen food plan providers, party plan merchandisers, & coffee-break service providers)	522190 Other Depository Credit Intermediation	
444120 Paint & Wallpaper Stores	Transportation and Warehousing		
444130 Hardware Stores	Air, Rail, and Water Transportation		
444190 Other Building Material Dealers	481000 Air Transportation		
444200 Lawn & Garden Equipment & Supplies Stores	482110 Rail Transportation		
Food and Beverage Stores	483000 Water Transportation		
445110 Supermarkets and Other Grocery (except Convenience) Stores	Truck Transportation		
445120 Convenience Stores	484110 General Freight Trucking, Local		
445210 Meat Markets	484120 General Freight Trucking, Long-distance		
445220 Fish & Seafood Markets	484200 Specialized Freight Trucking		

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531390 Other Activities Related to Real Estate	541940 Veterinary Services	621340 Offices of Physical, Occupational & Speech Therapists, & Audiologists	Accommodation and Food Services Accommodation 721110 Hotels (except Casino Hotels) & Motels 721120 Casino Hotels 721191 Bed & Breakfast Inns 721199 All Other Traveler Accommodation 721210 RV (Recreational Vehicle) Parks & Recreational Camps 721310 Rooming & Boarding Houses Food Services and Drinking Places 722300 Special Food Services (including food service contractors & caterers) 722410 Drinking Places (Alcoholic Beverages) 722511 Full Service Restaurants 722513 Limited Service Restaurants 722514 Cafeterias & Buffets 722515 Snack & Nonalcoholic Beverage Bars
Rental and Leasing Services 532100 Automotive Equipment Rental & Leasing 532210 Consumer Electronics & Appliances Rental 532220 Formal Wear & Costume Rental 532230 Video Tape & Disc Rental 532290 Other Consumer Goods Rental 532310 General Rental Centers 532400 Commercial & Industrial Machinery & Equipment Rental & Leasing	541990 All Other Professional, Scientific, & Technical Services	621391 Offices of Podiatrists 621399 Offices of All Other Miscellaneous Health Practitioners	
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Specialized Design Services 541400 Specialized Design Services (including interior, industrial, graphic, & fashion design)	Health Care and Social Assistance Offices of Physicians and Dentists 621111 Offices of Physicians (except mental health specialists) 621112 Offices of Physicians, Mental Health Specialists 621210 Offices of Dentists	Museums, Historical Sites, and Similar Institutions 712100 Museums, Historical Sites, & Similar Institutions	
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To help us develop a more useful index, please let us know if you have ideas for index entries. See “Comments and Suggestions” in the “Introduction” for the ways you can reach us.

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