



November 19, 2024

Via Electronic Mail: pra.comments@irs.gov

Andres Garcia
Internal Revenue Service
Room 6526
1111 Constitution Avenue NW
Washington, DC 20224

Re: Proposed Collection; Comment Request for Information Collection Tool Relating to the Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund; OMB control number 1545-1002


Dear Andres Garcia:

We, the undersigned trade associations, appreciate the opportunity to comment on the Internal Revenue Service's continuing effort to reduce paperwork and respondent burden, specifically with respect to Form 8621, *Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund*.¹ As invited, we write to comment on ways to enhance the quality, utility, and clarity of the information to be collected and ways to minimize the burden of the collection of information on respondents.

We recommend the re-design of Form 8621 to allow for disclosure of more than one passive foreign investment company ("PFIC") and the relevant elections in respect of PFICs. We reasonably foresee the number of Form 8621 filings continuing to increase in the years to come. Anti-hybrid rules in non-U.S. jurisdictions (*e.g.*, Anti-Tax Avoidance Directive II) have generally led to an increased number of PFICs in foreign investment structures. Entities are frequently "checked closed" for U.S. income tax purposes to remove hybridity concerns in non-U.S. jurisdictions, *i.e.*, so that such entities are treated as corporations for both U.S. and non-U.S. tax purposes. Moreover, commercial tax return preparation software may restrict electronic filing capabilities where the total number of Forms 8621 exceeds a prescribed limit.

A consolidated Form 8621 with a landscape, or horizontal, supporting schedule which lists the relevant information for each PFIC would alleviate some of the compliance burden associated with PFIC investments. Where detailed computations related to Section 1291 are required, separate supporting schedules could satisfy the reporting requirements. A consolidated Form 8621 also seems consistent with the shift towards centralized and uniform reporting on Schedules K-2 and K-3.

¹ Proposed Collection; Comment Request for Information Collection Tool Relating to the Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund, 89 Fed. Reg. 77,239 (Sep. 20, 2024).



For this purpose, we have appended a draft rendering of a consolidated Form 8621, as described above, for your consideration. We appreciate the opportunity to submit our comments on the Internal Revenue Service's continuing effort to reduce paperwork and respondent burden, and we would be pleased to meet with the Internal Revenue Service to discuss our comments and draft rendering of a consolidated Form 8621.

If the Internal Revenue Service has any questions or comments, please do not hesitate to contact the following representatives of the undersigned: Joseph Schwartz, Vice President and Senior Counsel, MFA; Blake Vickers, CPA, CGMA - Chair, AICPA Tax Executive Committee; Paul Hale, Managing Director, Global Head of Tax Affairs, AIMA.

Respectfully submitted,

Managed Funds Association (MFA)
American Institute of Certified Public Accountants (AICPA)
Alternative Investment Management Association (AIMA)

Form 8621-G (Rev. [•] 2024) Department of the Treasury Internal Revenue Service	Aggregate Information Return by or on behalf of a Shareholder of Passive Foreign Investment Companies ▶ Go to www.irs.gov/Form8621-G for instructions and the latest information.	OMB No. [•]
		Attachment Sequence No. [•]
Name of filer		Identifying number (see instructions)
Number, street, and room or suite no. If a P.O. box, see instructions.		Filer tax year:
City or town, state, and ZIP code or country		

Type of person filing the return: Individual ☐ Partnership ☐ S Corporation ☐ Nongrantor Trust ☐ Estate ☐ Corporation ☐

If you are an individual, nongrantor trust or estate that indirectly owns an interest in a passive foreign investment company through a partnership or S-corporation that has reported or will report information with respect to such passive foreign investment company on a Schedule K-2 and/or Schedule K-3 issued to you, you should not file a Form 8621 or Form 8621-A with respect to such passive foreign investment company, but should instead reference the Schedule K-2 and/or Schedule K-3 issued to you in completing your own income tax return.

Part I	Eligible Passive Foreign Investment Companies for Aggregated Information Reporting
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List the eligible passive foreign investment companies (PFICs) reported on this information return for which an election will be made by the person filing this return. All PFICs listed below must have the same taxable year in order to be eligible to be reported on this information return. See instructions.

NAME OF PFIC OR QUALIFIED INSURANCE CORPORATION	EIN OR REFERENCE ID NUMBER	ADDRESS OF PFIC	BEGINNING OF PFIC TAX YEAR	ENDING OF PFIC TAX YEAR

Complete Part II for the PFICs listed in this Part I and the applicable additional schedule(s) for the PFIC(s) depending on the elections being made. See instructions.

Part II Summary of Annual Information for All Eligible PFICs and Elections

Complete this Part II with respect to the PFICs listed in Part I. In addition, complete the supplemental schedule corresponding to the election being made.

NAME OF PFIC	EIN OR REFERENCE ID NUMBER	DESCRIPTION OF EACH CLASS OF SHARES HELD BY THE SHAREHOLDER [COM, PRE, OTH, VAR]	DATE SHARES ACQUIRED DURING THE TAX YEAR, IF APPLICABLE	NUMBER OF SHARES HELD AT THE END OF THE TAX YEAR	VALUE OF SHARES HELD AT THE END OF THE TAX	TYPE OF PFIC (SECTION 1291, SECTION 1293, SECTION 1296)	AMOUNT OF ANY EXCESS DISTRIBUTION OR GAIN TREATED AS AN EXCESS DISTRIBUTION UNDER SECTION 1291, INCLUSION UNDER SECTION 1293, AND INCLUSION OR DEDUCTION UNDER SECTION 1296	ELECTION(S) FOR PFIC (SEE BELOW FOR CODE AND ATTESTATION)

PFIC Elections

Code	Election	Attestation
QEF	Election To Treat the PFIC as a QEF.	I, a beneficial owner of a PFIC, elect to treat such PFIC as a QEF.
ETP	Election To Extend Time For Payment of Tax.	I, a beneficial owner of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of such PFIC until this election is terminated.
MTM	Election To Mark-to-Market PFIC Stock.	I, a beneficial owner of a PFIC, elect to mark-to-market such PFIC stock that is marketable within the meaning of section 1296(e).
DSE	Deemed Sale Election.	I, a beneficial owner on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in such PFIC
DDE	Deemed Dividend Election.	I, a beneficial owner on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution.
PRG	Election To Recognize Gain on Deemed Sale of PFIC.	I, a beneficial owner of a former PFIC or a PFIC to which section 1297(d) applies, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC on the last day of its last tax year as a PFIC under section 1297(a).
DDE1297	Deemed Dividend Election With Respect to a Section 1297(e) PFIC.	I, a beneficial owner of a section 1297(e) PFIC, within the meaning of Regulations section 1.1297-3(a), elect to make a deemed dividend election with respect to the Section 1297(e) PFIC. My holding period in the stock of the Section 1297(e) PFIC includes the CFC qualification date, as defined in Regulations section 1.1297-3(d).
DDEF	Deemed Dividend Election With Respect to a Former PFIC.	I, a beneficial owner of a former PFIC, within the meaning of Regulations section 1.1298-3(a), elect to make a deemed dividend election with respect to the former PFIC. My holding period in the stock of the former PFIC includes the termination date, as defined in Regulations section 1.1298-3(d).
QIC	Election to Treat the PFIC as a Qualified Insurance Corporation	I, a beneficial owner of stock of the foreign corporation(s), elect to treat such stock in each of the foreign corporation(s) as the stock of a Qualifying Insurance Corporation under the alternative facts and circumstances test within the meaning of section 1297(f)(2).

Schedule A Income from Qualified Electing Funds

Complete this Schedule A with respect to the QEFs listed in Parts I and II.

NAME OF QEF	EIN OR REFERENCE ID NUMBER	(a) PRO RATA SHARE OF THE ORDINARY EARNINGS OF THE QEF	(b) ENTER THE PORTION OF AMOUNT (A) THAT IS INCLUDED IN INCOME UNDER SECTION 951 OR THAT MAY BE EXCLUDED UNDER SECTION 1293(G)	(c) ORDINARY INCOME – SUBTRACT (B) FROM (A), AND ENTER THIS AMOUNT ON YOUR TAX RETURN AS ORDINARY INCOME	(d) ENTER YOUR PRO RATA SHARE OF THE TOTAL NET CAPITAL GAIN OF THE QEF	(e) ENTER THE PORTION OF (D) THAT IS INCLUDED IN INCOME UNDER SECTION 951 OR THAT MAY BE EXCLUDED UNDER SECTION 1293(G)	(F) NET LONG TERM CAPITAL GAIN – SUBTRACT (E) FROM (D). THIS AMOUNT IS A NET LONG-TERM CAPITAL GAIN. ENTER THIS AMOUNT IN PART II OF THE SCHEDULE	(G) SECTION 1294 ELECTION INFORMATION ON SUPPLEMENTARY SCHEDULE (YES/NO)*

*For a QEF with respect to which a Section 1294 election has been made, attach a supplementary schedule with the Section 1294 information. See instructions.

Schedule B Gain (or Loss) from Mark-to-Market Elections

Complete this Schedule B for the PFIC(s) for which you are electing to mark-to-market PFIC stock that is marketable within the meaning of section 1296(e).

NAME OF PFIC	EIN OR REFERENCE ID NUMBER	(a) ENTER THE FAIR MARKET VALUE OF YOUR PFIC STOCK AT THE END OF THE TAX YEAR	(b) ENTER YOUR ADJUSTED BASIS IN THE STOCK AT THE END OF THE TAX YEAR.	(c) SUBTRACT LINE (B) FROM (A). IF A GAIN, DO NOT COMPLETE (D) OR (E). INCLUDE THIS AMOUNT AS ORDINARY INCOME ON YOUR TAX RETURN. IF A LOSS, GO TO (D)	(d) ENTER ANY UNREVERSED INCLUSIONS (AS DEFINED IN SECTION 1296(D))	(e) ENTER THE LOSS FROM (C), BUT ONLY TO THE EXTENT OF UNREVERSED INCLUSIONS ON (D). INCLUDE THIS AMOUNT AS AN ORDINARY LOSS ON YOUR TAX RETURN

If you sold or otherwise disposed of any section 1296 stock during the tax year, you should also complete the following subsection.

NAME OF PFIC	EIN OR REFERENCE ID NUMBER	(a) ENTER THE FAIR MARKET VALUE OF THE STOCK ON THE DATE OF SALE OR DISPOSITION	(b) ENTER THE ADJUSTED BASIS OF THE STOCK ON THE DATE OF SALE OR DISPOSITION	(c) SUBTRACT (B) FROM LINE (A). IF A GAIN, DO NOT COMPLETE (D). INCLUDE THIS AMOUNT AS ORDINARY INCOME ON YOUR TAX RETURN. IF A LOSS, GO TO (D)	(d) ENTER ANY UNREVERSED INCLUSIONS (AS DEFINED IN SECTION 1296(D))	(e) ENTER THE LOSS FROM (C), BUT ONLY TO THE EXTENT OF UNREVERSED INCLUSIONS ON (D). INCLUDE THIS AMOUNT AS AN ORDINARY LOSS ON YOUR TAX RETURN. IF THE LOSS ON (C) EXCEEDS UNREVERSED INCLUSIONS ON (D), COMPLETE (F)	(f) ENTER THE AMOUNT BY WHICH THE LOSS ON (C) EXCEEDS UNREVERSED INCLUSIONS ON (D). INCLUDE THIS AMOUNT ON YOUR TAX RETURN ACCORDING TO THE RULES GENERALLY APPLICABLE FOR LOSSES PROVIDED ELSEWHERE IN THE CODE AND REGULATIONS

Schedule C Distributions from and Dispositions of Stock of a Section 1291 Fund

Complete this Schedule C for each PFIC that is a Section 1291 Fund.

	[NAME OF 1291 FUND AND EIN OR REFERENCE ID NUMBER]	[NAME OF 1291 FUND AND EIN OR REFERENCE ID NUMBER]	[NAME OF 1291 FUND AND EIN OR REFERENCE ID NUMBER]
(A)	ENTER YOUR TOTAL DISTRIBUTIONS FROM THE SECTION 1291 FUND DURING THE CURRENT TAX YEAR WITH RESPECT TO THE APPLICABLE STOCK. IF THE HOLDING PERIOD OF THE STOCK BEGAN IN THE CURRENT TAX YEAR, SEE INSTRUCTIONS		
(B)	ENTER THE TOTAL DISTRIBUTIONS (REDUCED BY THE PORTIONS OF SUCH DISTRIBUTIONS THAT WERE EXCESS DISTRIBUTIONS BUT NOT INCLUDED IN INCOME UNDER SECTION 1291(A)(1)(B)) MADE BY THE FUND WITH RESPECT TO THE APPLICABLE STOCK FOR EACH OF THE 3 YEARS PRECEDING THE CURRENT TAX YEAR (OR IF SHORTER, THE PORTION OF THE SHAREHOLDER'S HOLDING PERIOD BEFORE THE CURRENT TAX YEAR)		
(C)	DIVIDE (B) BY 3.0. (SEE INSTRUCTIONS IF THE NUMBER OF PRECEDING TAX YEARS IS LESS THAN 3.)		
(D)	MULTIPLY (C) BY 125% (1.25)		
(E)	SUBTRACT (D) FROM (A). THIS AMOUNT, IF MORE THAN ZERO, IS THE EXCESS DISTRIBUTION WITH RESPECT TO THE APPLICABLE STOCK. IF THERE IS AN EXCESS DISTRIBUTION, COMPLETE LINE 16. IF ZERO OR LESS AND YOU DID NOT DISPOSE OF STOCK DURING THE TAX YEAR, DO NOT COMPLETE THE REST OF THIS SCHEDULE D. SEE INSTRUCTIONS IF YOU RECEIVED MORE THAN ONE DISTRIBUTION DURING THE CURRENT TAX YEAR. ALSO, SEE INSTRUCTIONS FOR RULES FOR REPORTING A NONEXCESS DISTRIBUTION ON YOUR INCOME TAX RETURN		
(F)	ENTER GAIN OR LOSS FROM THE DISPOSITION OF STOCK OF A SECTION 1291 FUND OR FORMER SECTION 1291 FUND. IF A GAIN, COMPLETE (G) THROUGH (L). IF A LOSS, SHOW IT IN BRACKETS AND DO NOT COMPLETE (G) THROUGH (L).		
(G)	IF THERE IS A POSITIVE AMOUNT ON (E) OR (F) (OR BOTH), ATTACH A STATEMENT FOR EACH EXCESS DISTRIBUTION AND DISPOSITION. SHOW YOUR HOLDING PERIOD FOR EACH SHARE OF STOCK OR BLOCK OF SHARES HELD. ALLOCATE THE EXCESS DISTRIBUTION OR GAIN TO EACH DAY IN YOUR HOLDING PERIOD. ADD ALL AMOUNTS THAT ARE ALLOCATED TO DAYS IN EACH TAX YEAR		
(H)	ENTER THE TOTAL OF THE AMOUNTS DETERMINED IN (G) THAT ARE ALLOCABLE TO THE CURRENT TAX YEAR AND TAX YEARS BEFORE THE FOREIGN CORPORATION BECAME A PFIC (PRE-PFIC YEARS). ENTER THESE AMOUNTS ON YOUR INCOME TAX RETURN AS OTHER INCOME		
(I)	ENTER THE AGGREGATE INCREASES IN TAX (BEFORE CREDITS) FOR EACH TAX YEAR IN YOUR HOLDING PERIOD (OTHER THAN THE CURRENT TAX YEAR AND PRE-PFIC YEARS). SEE INSTRUCTIONS		
(J)	FOREIGN TAX CREDIT (SEE INSTRUCTIONS)		
(K)	SUBTRACT (J) FROM (I). ENTER THIS AMOUNT ON YOUR INCOME TAX RETURN AS "ADDITIONAL TAX." SEE INSTRUCTIONS		
(L)	DETERMINE INTEREST ON EACH NET INCREASE IN TAX DETERMINED ON (H) USING THE RATES AND METHODS OF SECTION 6621. ENTER THE AGGREGATE AMOUNT OF INTEREST HERE. SEE INSTRUCTIONS		

Schedule D

Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections

Complete this Schedule D to report the status of outstanding prior year section 1294 elections. Complete subsections (e) through (g) only if a section 1294 election is terminated in the current year. Complete subsections (i) and (j) only if there is a partial termination to a section 1294 election in the current tax year.

NAME OF PFIC	EIN OR REFERENCE ID NUMBER	(a) TAX YEAR OF OUTSTANDING ELECTION	(b) UNDISTRIBUTED EARNINGS TO WHICH THE ELECTION RELATES	(c) DEFERRED TAX	(d) INTEREST ACCRUED ON DEFERRED TAX (LINE 19) AS OF THE FILING DATE	(e) EVENT TERMINATING ELECTION	(f) EARNINGS DISTRIBUTED OR DEEMED DISTRIBUTED DURING THE TAX YEAR	(g) DEFERRED TAX DUE WITH THIS RETURN	(h) ACCRUED INTEREST DUE WITH THIS RETURN	(i) DEFERRED TAX OUTSTANDING AFTER PARTIAL TERMINATION OF ELECTION. SUBTRACT (G) FROM (C)	(j) INTEREST ACCRUED AFTER PARTIAL TERMINATION OF ELECTION. SUBTRACT (H) FROM (D)