Driving your Capital Agenda

Transaction tax: Internal Restructuring Group

Internal restructuring transactions help companies preserve and optimize capital

More than ever, companies need to seize the opportunity to strengthen their business by preserving and optimizing capital. Often, this can be accomplished through the use of internal restructuring transactions. For example, appropriate realignment of a company’s legal/regulatory, operating and tax structures can reduce above- and below-the-line costs. Additionally, internal transfers of stock or assets may help you monetize valuable tax assets that might otherwise diminish in value or expire. Achieving these business objectives in a tax-efficient manner requires a disciplined, comprehensive and integrated approach. Capitalizing on these opportunities through implementation of an internal restructuring requires broad and deep experience and creative structuring techniques to balance competing priorities.

Our Internal Restructuring (IR) Groups bring a multidisciplinary approach and extensive experience advising on the design, coordination and implementation of internal transactions. Our holistic and rigorous approach can help you balance competing priorities and align tax objectives with broader operational strategy. We are committed to assisting you throughout the transaction’s life cycle: from inception through implementation (with periodic post-transaction reviews).

Creating social and economic value by helping you make better, more informed decisions about strategically managing capital and transactions.

The use of internal transactions can help strengthen your organization and unlock valuable tax assets. Multidisciplinary planning, design, coordination and implementation are the keys to success.
Using internal restructuring to meet your goals

Internal restructuring covers all aspects of the corporate and capital life cycles, and is often used during:

- Pre- and post-combination restructuring and integration
- Pre- and post-disposition structuring
- Organizational simplification of structures with multiple legal entities
- Global and/or domestic financing structure implementation and supply chain structure management
- Mitigating tax issues for a current or potential movement of assets or stock within a related group (e.g., spin-offs, simulated spin-offs, etc.)
- Monetization of unrealized loss
- Cross-border and/or foreign-to-foreign restructuring
- US domestic restructurings (e.g., efficient utilization of “trapped” NOLs in separate return jurisdictions)
- Other operational restructurings

Why EY?

The IR Groups of EY member firms comprise dedicated tax structuring professionals advising on designing and implementing IR transactions that balance competing business, legal, regulatory and tax priorities. In addition, IR Group provide strategic advice across the entire transaction life cycle, utilizing an integrated service delivery model. The IR Group at Ernst & Young LLP has deep experience working with numerous US domestic and global organizations across all industries and is focused on bringing timely and relevant concepts to satisfy client needs.

For more information, please contact:

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