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FIC — Passive Foreign Investment Compan

The §1291 default regime,
QEF and MTM elections,
Form 8621 reporting, and
the country-specific traps.
Print edition, July 2026.

Print edition July 2026
The Baratelli Institute

Philip A. Baratelli, CPA, MBA . Founder . baratelliinstitute.com

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PFIC — Passive Foreign Investment Company

PFIC is the IRS designation under IRC §1291–§1298 that applies to foreign-domiciled mutual funds, ETFs, and pooled investment vehicles owned by US persons. Default tax treatment is punitive. Two escape hatches exist — the QEF election under §1295 and the mark-to-market election under §1296 — but must be affirmatively elected. Every US-person practitioner working with clients holding foreign investment funds must understand these rules or those clients face compliance and tax exposure that can materially exceed the economic value of the position.

Snapshot: 2026-07-03 · **Applies to:** Any US person (citizen, green-card holder, or US tax resident) owning shares of a foreign-domiciled pooled investment vehicle — mutual fund, ETF, UCITS, unit trust, OEIC, SICAV, or similar — whether directly, through a foreign brokerage account, or through certain foreign pension and insurance wrappers.

Why the rule exists in the first place

The pre-1986 problem — and how Congress killed the offshore-fund deferral game

Before the 1986 Tax Reform Act, a US person could buy shares of a foreign-domiciled fund, hold them for decades while the fund reinvested internally, and pay no US tax until eventual sale. The sale itself was then taxed at the long-term capital gains rate. The economic effect was decades of tax-free compounding — a benefit no equivalently-situated US mutual fund investor could get, because a US-domiciled fund had to distribute its net income and gains annually to avoid corporate-level tax under Subchapter M.

Congress introduced the PFIC regime in the 1986 Tax Reform Act specifically to shut this door. The design goal was to make the offshore fund so economically punitive to a US owner that no reasonable practitioner would steer a client into one voluntarily. The mechanism: designate any foreign-domiciled pooled investment vehicle that meets either an income test or an asset test as a PFIC, then impose an interest-charged, ordinary-rate tax on the entire gain unless the taxpayer affirmatively elects into one of two alternative regimes.

The rules affect an enormous and mostly-unsuspecting population. Every US person living abroad who buys local mutual funds on the recommendation of a local financial adviser. Every Indian family that emigrates to the United States while retaining their SIP investments in HDFC and ICICI mutual funds. Every UK expat with an ISA holding OEICs. Every Australian green-card holder with existing managed-fund exposure. Every American in Europe who buys the Irish-domiciled UCITS ETFs their EU brokerage steers them toward because MiFID II blocks them from buying US-domiciled ETFs directly. In each case the US person has bought a PFIC, is now under the default §1291 regime, and typically has no idea a Form 8621 is supposed to be attached to their US return.

The reason the rules feel harsh is that Congress deliberately designed them to feel harsh. There are three regimes. Two of them are workable. The default is not. The practitioner's job is to identify the exposure in the client's first tax year and elect out of the default before the compounding penalty structure locks in.

The classification framework

What counts as a PFIC — the two-test rule under §1297

A foreign corporation is a PFIC for any taxable year if it meets *either* of two tests. The tests are applied at the level of the foreign entity, not the shareholder. If either test is met in any year, the entity is a PFIC for that year to any US shareholder.

Test	Threshold	Statutory basis
Income test	75% or more of the entity's gross income for the taxable year is passive income — dividends, interest, rents, royalties, annuities, or net gains from property producing such income	IRC §1297(a)(1)
Asset test	50% or more of the entity's assets (measured by value, or by adjusted basis for certain CFCs) produce passive income or are held for the production of passive income	IRC §1297(a)(2)
Look-through rule	A 25%-or-more corporate subsidiary's assets and income flow through to the parent for both tests	IRC §1297(c)
Overlap with CFC	A foreign corporation that is both a CFC and a PFIC is generally treated only under the CFC rules for a US shareholder who owns 10% or more — the PFIC overlay drops away for that specific shareholder	IRC §1297(d)

A pooled investment vehicle almost always meets both tests trivially. Virtually all of a mutual fund's gross income is dividends and interest, and virtually all of its assets produce that passive income. The two-test framework is designed to catch operating businesses that have accumulated too much passive investment income, but its practical impact is that essentially every non-US retail investment fund is a PFIC to a US holder.

The "once-a-PFIC-always-a-PFIC" rule. Once a foreign corporation is a PFIC in any year during a US person's holding period, the entity is treated as a PFIC to that shareholder for every subsequent year of the holding period — even if the entity later fails both tests. Escape requires a "purging election" that treats the shares as sold on the last day the entity was a PFIC, triggering a §1291 gain recognition to clear the taint. See §1298(b)(1) and Treas. Reg. §1.1298-3.

Practitioner action point — exit first, elect second. Before evaluating the three regimes below, the pragmatic first-step recommendation for most US persons holding a PFIC is to sell the position and re-enter US-domiciled equivalents. US-registered mutual funds and ETFs (Vanguard, iShares, Schwab) are not PFICs. The complexity of the three regimes below only becomes relevant when the client chooses to stay in the PFIC — typically because the position has locked-in gains that

would trigger the punitive §1291 tax on sale, because it sits inside an employer-provided retirement wrapper that cannot be liquidated without penalty, or because the client is not willing to give up the exposure. For all other cases, exit the PFIC and re-enter US-domiciled funds.

The three tax regimes

Default §1291, QEF election under §1295, and MTM election under §1296

A US holder of PFIC shares faces one of three regimes each year. The default is punitive. Two elections exist to escape the default, each with its own eligibility requirements and mechanical trade-offs. The practitioner's decision is which regime applies, and if a client is stuck in the default, whether a purging election plus a fresh start under QEF or MTM makes sense.

Regime A — The default §1291 excess-distribution regime

If no election is made, the holder is taxed under §1291. The mechanics are designed to reverse the deferral benefit and then some.

Mechanic	How it works
Excess distributions	A distribution in any year is an "excess distribution" to the extent it exceeds 125% of the average distributions received in the three preceding years. Excess distributions and any gain on sale are subject to the §1291 mechanic below.
Ratable allocation across holding period	The excess distribution or gain is allocated ratably across every day of the taxpayer's holding period, then grouped by taxable year. Amounts allocated to the current year are taxed at ordinary rates. Amounts allocated to prior years are handled under the next line.
Prior-year slices taxed at each year's highest ordinary rate	Each prior year's slice is taxed at the highest ordinary income tax rate in effect for that year — currently 37% under the TCJA, but the rule applies each year's statutory rate to the slice allocated to that year.
Interest charge on prior-year slices	An interest charge is added to each prior-year slice, running from the due date of the return for that year through the current year, at the §6621 underpayment rate compounded daily.
Loss on sale is ordinary but limited	A loss on the sale of PFIC shares under §1291 is an ordinary loss (not capital), and is subject to the general loss-limitation rules; it does not enjoy the ratable-allocation benefit that gains do.
No LTCG preference, ever	No portion of the excess distribution or gain qualifies for long-term capital gains rates, no matter how long the shareholder held the shares.

The result: on a long holding period with meaningful appreciation, the combined effect of ordinary-rate tax on every slice plus the compounding interest charge can drive the effective US tax rate on the economic gain toward — and sometimes past — 100%. This is intentional. Congress wanted the default to be so bad that any reasonably-advised US person elects out. The problem is that most affected US persons are not reasonably advised, because their advice is coming from a local financial adviser in London, Mumbai, or Sydney who is not thinking about US tax at all.

Regime B — The QEF election under §1295

The Qualified Electing Fund election under §1295 lets the shareholder be taxed as if the PFIC were a US pass-through. Ordinary earnings pass through and are taxed at ordinary rates in the year

earned; net long-term capital gains pass through and retain their long-term character. The mechanics resemble a US mutual fund distribution but on a pro-rata inclusion basis rather than a cash-distribution basis.

QEF mechanic	How it works
Election filed on Form 8621	Made in the first year the taxpayer is a US person and owns PFIC shares, or by way of a purging election in a later year. Election is annual in the sense that it must be renewed by filing Form 8621 each year, and is generally irrevocable once made without IRS consent under Treas. Reg. §1.1295-1(c).
Requires Annual Information Statement	The fund must provide an Annual Information Statement (AIS) reporting the shareholder's pro-rata share of ordinary earnings and net capital gains, computed under US tax principles. Very few non-US funds voluntarily provide an AIS because there is no economic incentive for them to do so.
Ordinary earnings taxed at ordinary rates	The shareholder picks up pro-rata ordinary earnings each year, taxed at the shareholder's ordinary rate (up to 37%).
Net capital gains retain LTCG character	Pro-rata net long-term capital gains flow through and are taxed at LTCG rates (up to 20% plus 3.8% NIIT).
Basis increases; distributions are basis-recovery	Inclusions increase basis. Actual distributions of previously-taxed amounts do not trigger additional tax; they reduce basis.
Retroactive QEF narrowly permitted	A retroactive QEF election is available in limited circumstances under Treas. Reg. §1.1295-3, generally requiring reasonable reliance on a qualified tax professional or an unforeseeable event. Not a routine remedy.

Regime C — The mark-to-market election under §1296

The MTM election under §1296 is available only for "marketable" PFICs — broadly, shares regularly traded on a qualified exchange, or shares of a registered investment company. This makes MTM the workable regime for Irish-domiciled UCITS ETFs listed on the London Stock Exchange and similar exchange-traded PFICs, and generally unavailable for plain-vanilla unlisted mutual funds.

MTM mechanic	How it works
Marketable-only	Available only for a PFIC that is a "marketable stock" under §1296(e) — regularly traded on a qualified exchange, or a registered investment company under the Investment Company Act of 1940.
Election filed on Form 8621	Made in the first year of ownership or by way of purging election. Once made, applies to that PFIC for all future years unless revoked with IRS consent.
Annual mark-to-market	Each year the shareholder includes the increase in value of the PFIC shares from prior year-end to current year-end as ordinary income.
Losses limited	Unrealized losses are allowed as an ordinary deduction only to the extent of prior net MTM gains (the "unreversed inclusion" account). Losses beyond that are suspended.
Basis adjusted annually	Basis increases by MTM inclusions and decreases by allowed MTM deductions, so the eventual sale gain is only the delta from the last mark.
Sale gain is ordinary; sale loss is limited	Any residual gain on ultimate sale is ordinary income. Loss on sale is ordinary only to the extent of prior net inclusions, then capital.

The three regimes side-by-side

Feature	Default §1291	QEF (§1295)	MTM (§1296)
Eligibility	Applies by default to any PFIC holding	Any PFIC that provides an AIS; election filed on Form 8621	Only marketable PFICs (exchange-traded or RIC); election filed on Form 8621
Annual tax character	None currently; punitive on sale/excess distribution	Pro-rata ordinary earnings and LTCG; both retain character	Unrealized appreciation as ordinary income each year
LTCG preserved?	Never	Yes, on the LTCG portion of pass-through	Never — all gain is ordinary
Interest charge?	Yes, on prior-year slices	No	No
Basis treatment	Static basis; gain measured against original basis	Basis stepped up by inclusions; distributions are basis-recovery	Basis stepped up by inclusions; sale gain is only post-mark delta
Effective tax rate on a 10-year hold with 150% appreciation	Typically 50–80%+ of gain (ordinary + interest)	~15–25% of gain (blend of ordinary earnings and LTCG)	~30–37% of gain (all ordinary, but no interest and no compounding penalty)
Practitioner verdict	Avoid at all costs; election out is the whole point	The best regime if an AIS is available	The pragmatic regime for exchange-traded PFICs where no AIS is available

A worked case

Sarah’s UK OEIC — the same £150K of gain, three tax outcomes

Meet Sarah, a US citizen who moved from Chicago to London in 2016 for a work assignment and stayed. In her second month in London her banker at a UK high-street bank suggested a diversified UK OEIC — an open-ended investment company — as a sensible way to invest her sterling savings. She invested £100,000 in early 2016. The OEIC was an accumulating share class, so it made no meaningful distributions over her holding period; all income and gains were reinvested internally. She held from 2016 through 2026, ten full tax years.

In mid-2026 she is preparing to sell to buy a home. The OEIC is now worth £250,000. Her economic gain is £150,000, or approximately $190,000 at ~$1.27/£. She has never made a QEF election. She has never made an MTM election. She has never attached a Form 8621 to a US return. Her US CPA back in Chicago handled her domestic W-2 return each year and did not identify the PFIC exposure. We now walk the three regimes with round numbers in USD. This is a

RECONSTRUCTION for practitioner illustration; actual client outcomes will differ with facts and rates.

Scenario 1 — What actually happens: the default §1291 regime

Sarah held under §1291 the entire time. On sale, the $190,000 gain is allocated ratably over her 10-year holding period — $19,000 per year to each of 2016 through 2026. The current-year slice (2026) is taxed at ordinary rates on her current return. Each prior-year slice is taxed at that year's highest ordinary rate, plus interest running from that year's return due date to the current year at the §6621 underpayment rate. For simplicity we assume 37% ordinary on every prior-year slice and a 6% average underpayment rate compounded annually across the intervening years.

Year of allocation	Slice	Tax at 37%	Interest charge	Total for slice
2016	$19,000	$7,030	$5,700	$12,730
2017	19,000	7,030	4,900	11,930
2018	19,000	7,030	4,200	11,230
2019	19,000	7,030	3,500	10,530
2020	19,000	7,030	2,900	9,930
2021	19,000	7,030	2,300	9,330
2022	19,000	7,030	1,700	8,730
2023	19,000	7,030	1,150	8,180
2024	19,000	7,030	600	7,630
2025 (current-year slice, no interest)	19,000	7,030	0	7,030
Totals — §1291 default	$190,000	$70,300	$26,950	$97,250

Sarah's US tax on the $190,000 gain under the default regime is approximately **$97,250**, or about 51% of the economic gain. She also owes the UK any tax the UK claims, and there is no US foreign tax credit available for the interest-charge portion of the §1291 bill. This is what "the default is punitive" means in cash terms.

Scenario 2 — If she had made a QEF election in 2016

Assume Sarah had identified the PFIC exposure on arrival, and the OEIC provided an Annual Information Statement. Under a QEF election filed in 2016, she would have picked up her pro-rata share of the OEIC's ordinary earnings and net capital gains each year. Assume the $190,000 total gain broke down as $60,000 of ordinary income accrued ratably ($6,000/year) and $130,000 of net long-term capital gains accrued ratably ($13,000/year). She pays ordinary tax on the $6,000 each year at 37% and LTCG tax on the $13,000 each year at 20% (ignoring NIIT for simplicity). Basis steps up by both. When she sells in 2026, her basis is essentially equal to her sale price and there is no additional gain to recognize.

QEF path	Amount	Rate	Tax
Ordinary earnings picked up over 10 years	$60,000	37%	$22,200
Net LTCG picked up over 10 years	130,000	20%	26,000
Sale gain in 2026 after basis step-up	0	—	0
Total US tax under QEF	$190,000	—	$48,200

QEF outcome: about **$48,200** of US tax on the same $190,000 of gain — roughly 25% of the economic gain, or about half of the default. The tax is spread across ten years instead of hitting in year ten, which is a cash-flow benefit but modestly a present-value cost.

Scenario 3 — If she had made an MTM election in 2016

Assume the OEIC were exchange-listed on a qualified exchange and eligible for MTM (this is more typical of Irish UCITS ETFs than of unlisted UK OEICs, but we hold the numbers constant for comparison). Under MTM Sarah picks up the annual increase in fair value as ordinary income each year. The $190,000 total gain accrues over ten years at approximately $19,000 per year, taxed at 37% each year. Basis steps up so there is no residual gain on sale.

MTM path	Amount	Rate	Tax
Annual mark-to-market inclusions, $19,000 × 10 years	$190,000	37%	$70,300
Sale gain in 2026 after basis step-up	0	—	0
Total US tax under MTM	$190,000	—	$70,300

MTM outcome: about **$70,300** of US tax on the $190,000 of gain — roughly 37% of the economic gain. Worse than QEF because MTM converts what would have been LTCG into ordinary income. Better than the §1291 default because there is no interest charge and no compounding penalty.

The one-page comparison

Regime	US tax on $190,000 gain	Effective rate on gain	Delta vs. default
Default §1291 (what actually happened)	$97,250	51.2%	—
QEF election, year 1	48,200	25.4%	Save $49,050 (~50%)
MTM election, year 1	70,300	37.0%	Save $26,950 (~28%)

The core insight for the practitioner. The elections must be made in the first year of ownership. Once Sarah spent one tax year under the default §1291 regime, her options for the remaining nine years narrowed dramatically — a subsequent QEF election requires a purging election (deemed sale under §1291 for the pre-QEF period, which triggers the punitive default treatment on gain accrued up to that point) and a subsequent MTM election similarly requires a purging step for pre-election gain. Practitioner action point: identify PFIC exposure in the client's first US tax year of ownership and make the election immediately, or accept the compounding cost.

Reporting

Form 8621 — who files, when, and what happens if they don't

Filing obligation. Form 8621 (Information Return by a Shareholder of a PFIC or Qualified Electing Fund) is filed annually by any US person who is a direct or indirect shareholder of a PFIC, with each year's Form 1040 (or Form 1120 for an entity return). A separate Form 8621 is required for each PFIC held.

De minimis threshold. Treas. Reg. §1.1298-1(c)(2) provides a limited de minimis exception: no Form 8621 is required for a year if the taxpayer's aggregate PFIC stock value is under $25,000 (single) or $50,000 (joint), *and* the taxpayer did not receive an excess distribution or recognize gain on disposition, *and* no QEF or MTM election is in effect. A holder who otherwise elects into QEF or MTM must file every year regardless of the de minimis amount.

Purpose of the form. Reports the QEF or MTM election, the shareholder's inclusion, any excess distribution or gain under §1291, and the shareholder's basis. It is the mechanical filing that operates every one of the three regimes described above.

Penalty regime for non-filing. There is no explicit dollar penalty attached to missing Form 8621 alone. But under §6501(c)(8), the statute of limitations on the entire tax return remains open until Form 8621 is filed — meaning the IRS can assess additional tax on the return indefinitely if the form is missing. The practical exposure this creates is that a US person abroad who has held a PFIC for a decade without filing Form 8621 has an open statute on all ten years of returns, on every issue in every return, not just the PFIC.

Practitioner reality check. The vast majority of US persons abroad who hold local mutual funds have never filed Form 8621 in their lives. Most of their US tax preparers either did not identify the exposure or identified it and did not want to open the compliance mess. Correcting a historical non-filing situation usually runs through the Streamlined Filing Compliance Procedures, which allow taxpayers to file three years of amended returns and six years of FBARs with a certification of non-willful conduct, in exchange for a specific penalty framework (5% miscellaneous penalty on foreign assets for domestic filers, zero penalty for foreign residents meeting the residency test).

Common traps by country

The eight jurisdictions where the practitioner keeps meeting PFICs

PFIC exposure travels with the client. Below is the working map of where the practitioner keeps meeting the same fact pattern — a US person with a US brokerage-free investment history who nevertheless holds a portfolio of PFICs because a home-country adviser recommended local funds.

Jurisdiction	Common PFIC exposures	Practitioner note
India	Indian mutual funds (LIC, HDFC, ICICI, Franklin Templeton India, Aditya Birla, etc.), Indian ETFs, most Indian-domiciled equity SIPs	Nearly every Indian family emigrating to the US or holding US green cards while retaining home-country investment accounts is holding PFICs. Frequently the largest single PFIC problem in the mid-market US expat practice.
United Kingdom	UK OEICs, UK-domiciled ETFs, UK unit trusts, most funds held inside a Stocks & Shares ISA	The ISA wrapper is not respected for US tax purposes — the US-taxable owner reports the underlying holdings, which are almost always PFICs. UK pension wrappers are treated differently (see the US-UK treaty analysis).
Australia	Australian managed investment schemes (MIS), Australian listed and unlisted managed funds	Superannuation funds require a fact-specific analysis — may be treated as a grantor trust, an employees' trust, or in some fact patterns effectively a PFIC-adjacent structure. Not every super fund is a PFIC, but the underlying pooled investments frequently are.
Canada	Canadian mutual funds, Canadian ETFs (even those listed on the TSX), TFSA and RESP underlying holdings	TFSAs are also foreign grantor trusts requiring Form 3520/3520-A. The PFIC and 3520 filings stack on top of each other for the typical dual-citizen Canadian client.
Ireland	Irish UCITS ETFs — the standard European ETF structure, sold across the EU	Materially important because US persons in the EU are usually blocked by MiFID II from buying US-domiciled ETFs and get steered into Irish UCITS instead. An Irish UCITS ETF is a PFIC, but is typically exchange-traded and therefore eligible for the MTM election.

Jurisdiction	Common PFIC exposures	Practitioner note
Germany	German investment funds (Investmentgesellschaften), German unit trusts (Investmentanteile)	Riester and Rurup pension wrappers similarly require a fact-specific analysis. Local advisers routinely recommend these to US expats without any US-tax input.
Singapore & Hong Kong	Singapore and Hong Kong domiciled mutual funds and ETFs; regional funds sold by the major private banks	Practitioner-relevant for the substantial US expat population in APAC financial centers, particularly senior finance and law-firm expats on multi-year rotations.
Brazil	Brazilian mutual funds (fundos de investimento), fundos multimercado, fundos de ações	Relevant for the Brazilian dual-citizen community in the US and for US persons on assignment in São Paulo.

The remediation playbook. US persons abroad routinely buy PFICs unknowingly on the recommendation of a home-country adviser who does not think about US tax. By the time a US tax preparer identifies the issue the client has usually been in the default §1291 regime for years. The pragmatic fix is a three-step remediation: (1) file the historical Forms 8621 to open the compliance clock and start the statute of limitations running under §6501(c)(8); (2) exit the PFIC positions and re-enter US-domiciled equivalents (Vanguard, iShares) held in a US brokerage account — the local funds cost multiples of any expense-ratio savings in US tax friction; (3) if the client has never filed Form 8621 in prior years, evaluate the Streamlined Filing Compliance Procedures as the vehicle for the historical clean-up.

Cross-references

Where to read next

GILTI — the CFC anti-deferral rule

PFIC and CFC rules overlap on a US person owning 10%+ of a foreign corporation. For those shareholders the CFC rules generally trump the PFIC overlay under §1297(d).

Open the GILTI walkthrough →

Form 8938 vs FBAR — foreign account reporting

PFIC holdings are usually reportable on both. The two-form decision matrix walks the thresholds and interaction with Form 8621.

Open the Form 8938 vs FBAR reference →

§877A Expatriation Tax

Held PFICs are deemed sold at fair value on the day before expatriation. The §1291 mechanic runs at the exit-tax event unless a QEF or MTM election was previously in effect.

Open the §877A walkthrough →

US Persons Abroad — the practitioner hub

Single-page overview of the seven topics every US person abroad has to understand, with PFIC as one of the seven.

Open the US Persons Abroad reference →

International Tax Reference hub

The full free-reference set: PFIC, GILTI, Form 8938 vs FBAR, Country Comparison Matrix, §877A Expatriation, Puerto Rico Act 60, and the US Persons Abroad single-page overview.

Open the reference hub →

Vol XII — International Tax & Cross-Border Wealth guide

The applied companion. Full PFIC chapter with QEF Annual Information Statement checklist, country-by-country worked exposures, and the Streamlined Filing remediation playbook.

See the paid guide →

For the complete PFIC treatment — including the Vol XII chapter on PFIC compliance strategy, the QEF election requirements checklist, and the country-by-country PFIC exposure map — see the Baratelli International Tax & Cross-Border Wealth guide at $349 (single-user license).

Sources

Statutory and regulatory basis

IRC §1291 — Interest on tax deferral (the default excess-distribution regime, including ratable allocation and interest charge on prior-year slices). *VERIFIED.*

IRC §1295 — Qualified Electing Fund election. *VERIFIED.*

IRC §1296 — Mark-to-market election for marketable stock in a PFIC. *VERIFIED.*

IRC §1297 — Definition of PFIC (income test, asset test, look-through rule, CFC overlap). *VERIFIED.*

IRC §1298 — Special rules (attribution, once-a-PFIC-always-a-PFIC, purging election). *VERIFIED.*

IRC §6501(c)(8) — Statute of limitations remains open until Form 8621 is filed. *VERIFIED.*

Treas. Reg. §1.1291-1 through §1.1291-10 — Default regime mechanics, coordination rules, and shareholder-level operations. *VERIFIED.*

Treas. Reg. §1.1295-1 and §1.1295-3 — QEF election mechanics and retroactive QEF availability. *VERIFIED.*

Treas. Reg. §1.1296-1 and §1.1296-2 — MTM mechanics and marketable-stock definition. *VERIFIED.*

Treas. Reg. §1.1298-1 — Form 8621 filing obligation, including the de minimis exception at §1.1298-1(c)(2). *VERIFIED.*

Treas. Reg. §1.1298-3 — Purging elections to end the "once-a-PFIC-always-a-PFIC" taint. *VERIFIED.*

IRS Instructions to Form 8621 (most recent revision) — Practitioner filing guidance. *VERIFIED.*

IRS Streamlined Filing Compliance Procedures (foreign and domestic offshore variants) — The pragmatic vehicle for historical PFIC non-filing remediation. *VERIFIED.*

Country-specific PFIC treatment (Indian mutual funds, UK OEICs, Australian MIS, Canadian mutual funds, Irish UCITS ETFs, German investment funds, Singapore / Hong Kong funds, Brazilian fundos de investimento) — Practitioner consensus and IRS informal guidance. *REPORTED.*

Sarah — UK OEIC worked case — Practitioner illustration built to demonstrate the mechanics of the three regimes on a common fact pattern; not a specific client. *RECONSTRUCTION.*

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