

# **Foreign Income and Global Intangible Low-Taxed Income (GILTI)**

## **Reporting Packet**

### **Confidential Document**

**Prepared for: Potential Investors and Due Diligence Review**

**Prepared by: Nexus Intelligent Systems, Inc. Tax Compliance Department**

**Date of Preparation: January 22, 2024**

### **1. Executive Summary**

This Foreign Income and GILTI Reporting Packet provides a comprehensive overview of Nexus Intelligent Systems, Inc.'s international tax reporting obligations, global income structure, and compliance with U.S. tax regulations regarding foreign-derived income and global intangible low-taxed income (GILTI).

#### **1.1 Reporting Scope**

- Reporting Period: Fiscal Year 2023
- Jurisdictions Covered: United States, Singapore, United Kingdom
- Reporting Standard: U.S. GAAP and IRC Section 951A Compliance

### **2. Corporate International Structure**

#### **2.1 Foreign Subsidiary Entities**

- Nexus AI Solutions Pte. Ltd. (Singapore)
- Incorporation Date: March 15, 2019
- Ownership Percentage: 100%
- Primary Business: AI Research and Development
- Annual Revenue: \$3.2 Million USD
- Nexus Digital UK Limited (United Kingdom)
- Incorporation Date: September 1, 2020
- Ownership Percentage: 100%
- Primary Business: Enterprise Consulting Services
- Annual Revenue: \$2.7 Million USD

### **3. GILTI Calculation Methodology**

#### **3.1 Gross Income Determination**

The company calculates GILTI tax liability using the following comprehensive methodology:

- a) Total Foreign Gross Income: \$5,900,000
- b) Qualified Business Asset Investment (QBAI): \$2,300,000
- c) Net Tested Income: \$3,600,000
- d) GILTI Inclusion Amount: \$1,850,000

#### **3.2 Tax Calculation Approach**

- Effective GILTI Tax Rate: 10.5%
- Foreign Tax Credit Utilization: \$625,000
- Net GILTI Tax Liability: \$568,750

### **4. Compliance Certifications**

#### **4.1 Regulatory Compliance**

Nexus Intelligent Systems, Inc. certifies full compliance with:

- Internal Revenue Code Section 951A
- Treasury Regulation 1.951A
- Foreign-Derived Intangible Income (FDII) reporting requirements

#### **4.2 Documentation Integrity**

All financial calculations and representations in this document have been:

- Independently verified
- Prepared in accordance with U.S. GAAP
- Reviewed by external tax compliance specialists

### **5. Risk Mitigation and Disclosure**

#### **5.1 Potential Tax Risks**

- Ongoing assessment of international tax regulatory changes
- Continuous monitoring of transfer pricing compliance
- Regular internal and external tax strategy reviews

## **5.2 Limitation of Liability**

This document represents the best available information as of the preparation date. Nexus Intelligent Systems, Inc. reserves the right to update or modify tax reporting information based on subsequent regulatory guidance or financial developments.

## **6. Authorized Representations**

### **6.1 Corporate Officer Certification**

I, Dr. Elena Rodriguez, Chief Executive Officer of Nexus Intelligent Systems, Inc., hereby certify that the information contained in this Foreign Income and GILTI Reporting Packet is true, accurate, and complete to the best of my knowledge.

**Signature:**

**Date: January 22, 2024**

### **6.2 Chief Financial Officer Attestation**

I, Sarah Williamson, Chief Strategy Officer of Nexus Intelligent Systems, Inc., attest to the accuracy of the financial calculations and compliance representations contained herein.

**Signature:**

**Date: January 22, 2024**

## **7. Confidentiality Notice**

This document is strictly confidential and intended solely for the use of potential investors, regulatory reviewers, and authorized personnel. Unauthorized disclosure, reproduction, or distribution is prohibited.

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