

TAX

Covington's tax controversy experience includes very large case audits, administrative appeals and litigation involving a broad spectrum of subject matter areas, including transfer pricing, foreign tax credits, accounting methods and treatment of corporate reorganizations and restructurings, FSC and ETI benefits, treatment of items under the consolidated return regulations, allocations under Section 861, partnership issues, allowance of losses on subsidiary stock, form over substance, and Subpart F inclusions. Covington understands that resolution of tax controversies requires creativity and a complete understanding of the impact of the controversy and potential resolutions on its clients. A recently negotiated global settlement of tax issues for the major sports leagues illustrates Covington's in-depth approach to achieving controversy resolutions for its clients.

Reeves C. Westbrook
rwestbrook@cov.com
202.662.5150

Harry G. Hives
hhives@cov.com
212.841.1099

Guy Dingley
gdingley@cov.com
44.(0)20.7067.2026

Covington's international tax practice first seeks to understand its clients goals and business operations. In close collaboration with our clients' tax professionals, we then employ both standard and creatively tailored planning to achieve sustainable tax minimization. Our experience includes developing and modifying trading structures, cash flow strategies, advising on transfer pricing methods, internal restructurings, and post-acquisition integration. To address tax issues involving multiple jurisdictions we rely on our own experience and ultimately on our network of correspondent firms (ordinarily one of the top three tax advisory firms in each country) or our clients' regular foreign advisors.

Our practice in the financial products area spans a broad range, encompassing domestic and international transactions, exchange-traded and over-the-counter products, hedging strategies, and more. We regularly advise clients on tax issues raised by new financial products, such as credit derivatives, structured debt, and exotic options. Our clients include US and foreign hedge funds, CDO sponsors, mutual funds, banks, pension trusts, corporations and wealthy individuals. We also have extensive experience in the development of insurance-based products.

Covington's tax lawyers are intimately familiar with every aspect of the sports industry, from sponsorship and broadcast agreements to player signing bonuses to franchise acquisitions. We combine our deep and broad knowledge of the business of sports with our technical expertise in tax law. Our clients include leagues and teams; corporations, partnerships, and individuals; and domestic and foreign entities. We serve as the lead outside tax counsel to the NFL, Major League Baseball, the NHL, and the NBA.

Representative tax clients include Armani SPA, Bacardi Ltd, Bank of America, Bunge Ltd, GE Capital Corporation, IBM, Eastman Kodak, The Interpublic Group of Companies, Investment Company Institute, M Financial Group, Major League Baseball, NASCAR, Natixis, The National Basketball Association, The National Football League, The National Hockey League, Sun Financial, United Technologies Corporation, Vivendi S.A. and Volvo.

ACCOLADES

Our tax partners have received individual honors and hold leadership positions in a number of professional organizations.

- Roderick DeArment, William Paul and Reeves Westbrook, were listed in the 2008 edition of *Best Lawyers in America*.
- William Paul was named the leading tax lawyer in Washington, DC by the *Legal Times*, and a leading lawyer in the 2008 edition of *Chambers USA*. Mr. Paul is a fellow in the American College of Tax Counsel, and is a member of the American Law Institute.

- William Chip was named as one of America's leading tax lawyers in *Chambers USA*. He serves on the Tax Committee of the OECD's Business and Industry Advisory Committee and chairs the following committees:
 - Tax Committee of the European American Business Council;
 - Tax Treaty Subcommittee of the American Bar Association's Tax Section's Committee on Foreign Activities of US Taxpayers; and
 - Transfer Pricing Subcommittee of the US Council for International Business's Tax Committee.

- Reeves Westbrook was named as one of America's leading tax lawyers in the 2008 edition of *Chambers USA*. He chairs the Transfer Pricing and Litigation Subcommittee of the International Bar Association's Tax Committee.