



The Mergers & Acquisitions Tax Team

Helps you go public smoothly and efficiently



Successfully transforming a company into a publicly traded enterprise requires substantial, detailed planning and execution. Whether you are considering a traditional IPO or other paths to going public, KPMG LLP's dedicated teams are here to help you navigate the risks, complexities, and trade-offs essential to a successful offering.

Transitioning to a public company is a significant milestone. Before proceeding, you should consider:

-  Is an IPO the right strategy to maximize stakeholder value, or should you consider an alternative financing approach?
-  Are you comfortable disclosing your financial information to the public?
-  Are you prepared to operate as a publicly listed company?
-  Will you need to transform your business's operations, internal controls, and processes before you go public?

The objective guidance from an experienced adviser like KPMG can help you answer these and many other questions.

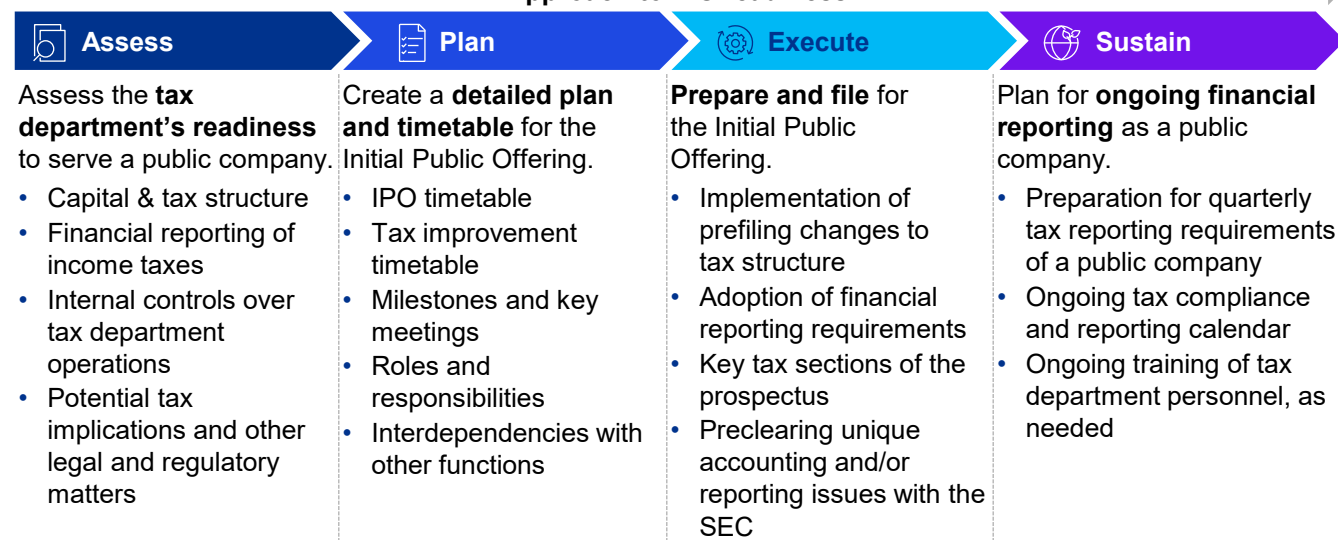
KPMG's M&A Tax team can help you realize significant value and long-term IPO readiness by:

- Evaluating whether an IPO is the right option for your company
- Evaluating your company's public company readiness
- Advising management on tax aspects of financial reporting, tax structuring and project management
- Conduct tax due diligence
- Coordinate with attorneys, bankers and other advisers

Benefit from our experience

The KPMG M&A Tax team brings a market-leading, client-centric and individualized approach to collaborate with you to arrive at a successful transaction. We have extensive experience in the following areas that are relevant to IPO transactions.

Approach to IPO readiness



KPMG has a well-established track record.

Our tailored approach focuses on the specific value drivers and process parameters of the offering. Throughout the course of an IPO, we collaborate with the client's internal team and its other advisers to help foster an effective and efficient process from a tax perspective. We use historical and projected tax information to help clients understand and respond to the significant tax issues raised by an IPO.

Position the company for transaction –

Once potential tax issues are identified, KPMG can help resolve them ahead of an offering (e.g., assisting with letter rulings and voluntary disclosure filings).

IPO tax planning – Each IPO has its own unique set of facts that will drive structuring. KPMG can model and propose structures intended to help produce additional cash and tax efficiencies. We can assist with the selection of an IPO vehicle and help analyze potential value drivers (e.g., Umbrella Partnership C Corp “UP-C”, etc.) to monetize tax attributes and enhance after-tax cash proceeds. These services also include assistance in determining the amount and character of the anticipated gain or loss as a result of monetization in an IPO.

Tax attribute studies – KPMG can assist in determining whether an Internal Revenue Code (IRC) Section 382 ownership change has occurred and, if it has, the potential consequences of that. If the IPO may result in an ownership change, we may be able to recommend structural approaches that may increase the corporation's ability to use its tax attributes after that change occurs.

Stock basis studies – Stock basis affects the amount of taxable gain or loss that will be recognized – KPMG can assist in determining stock basis for the investor team.

Earnings and profits (E&P) studies – IPO transactions can trigger the need for an E&P study for a variety of reasons, including determining the tax characterization of a corporate distribution. KPMG can assist with E&P computations as well as the corporation's reporting and withholding obligations.

IRC Sections 162(m) and 280G – We can analyze incentive plans for IRC Sections 162(m) and 280G compliance and make recommendations for postclosing compliance.

IRC Section 409A – Our IRC Section 409A services include analyzing deferred compensation plan documents for compliance with IRC Section 409A and for applicable limitations post-IPO.

Payroll tax compliance and planning – We can calculate payroll taxes due upon the exercise of compensatory options and other “triggered” compensation, as well as on pre-/post-IPO payroll reporting, to address the restarting FICA wage bases.

Benefit rationalization – We can assist with benefit plan benchmarking and rationalization in preparation for an IPO, including qualified plans, health plans, and fringe benefit plans.

Opening deferred taxes – We can assist in calculating the company's post-IPO opening deferred taxes, taking into account the particulars of the IPO transaction.

Transaction document assistance – We can comment on the tax aspects of IPO-related documents to help determine the mechanics of the IPO work from a tax perspective.

Other IPO tax assistance – Upon request, KPMG can provide other IPO-related tax assistance, including the drafting of tax opinions and IRS ruling requests.

Contact us



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