

Paul W. Oosterhuis

Skadden

Of Counsel, Washington, D.C.

International Tax



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Education

J.D., Harvard University, 1973
(*cum laude*)

B.A., Brown University, 1969
(*magna cum laude*)

Bar Admissions

District of Columbia
U.S. Tax Court

Experience

Lecturer at Law, Columbia Law School
(2021-present)

Legislation Attorney, Joint Committee
on Taxation, U.S. Congress (1973-1976)

Legislation Counsel, Joint Committee
on Taxation, U.S. Congress (1977-1978)

Adjunct Professor of Law, Georgetown
University Law Center (1977-1983)

Paul Oosterhuis is an internationally recognized senior practitioner in the area of international tax. He has extensive experience in mergers and acquisitions, post-acquisition integration, spin-offs, internal restructurings and joint ventures. He also represents multinational companies in nontransactional international tax planning, and assists clients in resolving high-stakes, complex tax controversies.

Mr. Oosterhuis has been ranked in the top tier of *Chambers USA* each year since the guide was first released in 2003. In addition, he repeatedly has been selected for inclusion in *Chambers Global*, *Tax Directors Handbook*, *The Legal 500 U.S.*, *Who's Who Legal: Corporate Tax*, *IFLR1000* and *The Best Lawyers in America*. He also was named to the *Washingtonian's* 2022 Top Lawyers Hall of Fame in recognition of being included in its Top Lawyers list at least 10 out of the past 15 years. In addition, he was previously named a BTI Client Service All-Star.

For the past several years, Ms. Oosterhuis has been actively involved in U.S. and international tax policy matters. In addition to writing and speaking on various topics, he has testified before Congress on U.S. tax reform and base erosion and profit shifting, or BEPS, issues. He also represented clients in working with congressional staff to develop various international provisions of the 2017 Tax Cuts and Jobs Act, as well as with Treasury and IRS staff in developing regulations implementing those provisions. In addition, he is an active participant in the ongoing OECD efforts related to the tax challenges arising from the digitalization of the economy.

Mr. Oosterhuis has been involved in the tax aspects of some of Skadden's most significant transactions. Representative **cross-border mergers and acquisitions** include:

- **Daimler-Benz AG** in its \$38.3 billion merger with Chrysler Corporation, forming DaimlerChrysler AG. This deal was the first German/American stock-for-stock merger and was named 1998's Deal of the Year by *Investment Dealers' Digest*;
- **IBM Corporation** in its \$3.5 billion acquisition of PwC Consulting firms around the world from PricewaterhouseCoopers. This deal was selected as Technology Deal of the Year for 2002 by *International Financial Law Review*; and
- **Pfizer Inc.** in its proposed combinations with Astra-Zeneca Ltd. and Allergan plc.

Representative **domestic mergers and acquisitions** include:

- **Schering-Plough Corporation** in its \$41 billion acquisition by Merck & Co., Inc.;
- **Hewlett-Packard Company** in its \$13.9 billion acquisition of EDS; and
- **Pfizer Inc.** in its \$68 billion acquisition of Wyeth. This was named Americas Deal of the Year at the Americas M&A Awards by *mergermarket* and *Financial Times*.

Representative **spin-offs** include:

- **Hewlett-Packard Company** in the spin-off of its scientific and medical-testing instrument business into a separate publicly traded company called Agilent Technologies Inc.;
- **Pfizer Inc.** in the carve-out of its animal health business into a separate publicly traded company called Zoetis Inc. via a \$2.6 billion initial public offering. Skadden also represented Pfizer Inc. in the tax-free split-off (valued in excess of \$13 billion) of its remaining 80% interest in Zoetis Inc.; and
- **Hewlett-Packard Company** in the split-up of its computer and printer businesses and its corporate hardware and services operations into two separate companies. This was one of the largest spin-offs ever, which gave rise to two publicly traded companies, each with more than \$50 billion in annual revenue.

In addition to specific transactions, Mr. Oosterhuis has played a key role in **internal restructurings** including:

- **the board committee of The Royal Dutch/Shell Group of Companies** with U.S. tax advice in connection with the company's restructuring to form Royal Dutch Shell plc;
- **General Electric Capital Corporation** in the restructuring and the sale by General Electric Company of most of GE Capital's assets; and
- **Visa Inc. and Visa U.S.A., Inc.** with the U.S. tax aspects of its global restructuring to form Visa Inc.

He also represents clients in audits and appeals before the IRS, including on transfer pricing matters. Mr. Oosterhuis has negotiated, on behalf of clients, various advance pricing agreements, pre-filing agreements and competent authority agreements. He has been involved in some of Skadden's most significant **tax controversy and litigation** matters including:

- **GlaxoSmithKline plc** and its U.S. affiliate, **GlaxoSmithKline Holdings (Americas) Inc.**, as settlement counsel in the \$3.4 billion settlement of a transfer pricing dispute with the IRS. This case was the biggest in the history of the IRS in terms of both the original amount sought by the IRS and the settlement amount;
- **Ingersoll-Rand** in resolving a complex dispute with the IRS over the treatment of intercompany debt. Under the resolution, the IRS released claims for more than \$1 billion of tax and penalties; and
- **Hess Corporation** with respect to HOVENSA, a St. Croix petroleum refinery joint venture between Hess Corporation and Petroleos de Venezuela, in multiple lawsuits against the government of the U.S. Virgin Islands related to income tax refund and deficiency actions involving nearly \$3 billion.

Selected Publications

An internationally recognized thought leader on topics related to corporate and international taxation, Mr. Oosterhuis has authored several publications over the past 30 years, including:

Taxing Profit in a Global Economy, Oxford University Press, March 21, 2021 (Book co-authored with Michael P. Devereux, Alan J. Auerbach, Michael Keen, Wolfgang Schön, John Vella)

"Worldwide Interest Apportionment Has Arrived: What Do We Do Now?" *Tax Notes Federal*, Volume 170, January 25, 2021

"Why Treasury Got It Right: R&D Should Not Be Allocated to GILTI," *Tax Notes Federal*, September 14, 2020

"Destination-Based Income Taxation: Neither Principled Nor Practical?" *Tax Law Review*, Vol. 71 Rev. 515, Spring 2018

"The Need for Second-Best Tax Reform Solutions," *Temple Law Review*, Vol. 89 No. 2, Winter 2017

"Transfer Pricing After BEPS: Where Are We and Where Should We Be Going," *TAXES — The Tax Magazine*, Vol. 95 No. 3, March 2017

"What's in Order for Assets Crossing the Border?" *TAXES — The Tax Magazine*, Vol. 88 No. 3, March 2010

"The Evolution of U.S. International Tax Policy — What Would Larry Say?" *Tax Notes International*, June 26, 2006

"Check-The-Box Planning in Cross-Border Transactions," *TAXES — The Tax Magazine*, Vol. 83 No. 3, March 2005

"Structuring an Exemption System for Foreign Income of U.S. Corporations," *National Tax Journal*, Vol. LIV No. 4, December 2001 (Co-authored with Michael Graetz)

"Taxing Cross-Border Combinations: Nationalistic Rules in a Global Economy," *TAXES — The Tax Magazine*, December 1997

"International R&D and Technology Transfer Arrangements," *TAXES — The Tax Magazine*, December 1995

"The Cost of Deferral's Repeal: If Done Properly, It Loses Billions," *Tax Notes International*, February 8, 1993

"US Stapled Stock Invites but Does Not Promise," *International Tax Review*, Vol. 3 Issue 3, February 1992

"Musings on Rev. Rul. 91-5 and Its Implications for Section 304 Transactions," *Tax Notes*, March 18, 1991

"The Export Source Rule: An Age-Old Rule With a Dubious New Interpretation," *Tax Notes*, June 26, 1989

"Research and Development Expenditures," *BNA Tax Management Portfolio*, 42-3rd T.M., 1987 (reprinted May 1992)