

Q&A With Mayer Brown's Jason Bazar

Law360, New York (January 28, 2014, 4:59 PM ET) -- Jason S. Bazar is a partner in Mayer Brown LLP's New York office. As co-chairman of the firm's tax transactions and consulting practice, Bazar advises corporate, banking and investment fund clients on the tax aspects of financing and business combination transactions. His guidance to domestic and foreign clients includes planning the tax aspects of taxable and tax-free mergers, acquisitions, divestitures, spin-offs and restructurings. He also counsels clients on the capitalization and structuring of inbound and outbound operations, including branches and subsidiaries, and general corporate and international tax planning matters.

Bazar regularly advises clients on the tax aspects of cross-border and domestic financing transactions, including leveraged financings, asset-based loans, securitizations and other structured financings, as well as lease transactions. In the capital markets area, he counsels clients on the tax aspects of debt, equity and hybrid securities offerings, U.S. and non-U.S. financial instruments and other capital markets transactions.

Q: What is the most interesting or challenging tax problem you've worked on to date?

A: Part of the appeal of tax law for me is that it remains consistently challenging. I often describe the tax practice as an ongoing series of puzzles, each presenting new challenges in terms of how it can be solved. I'm not sure I can single out a specific transaction or matter, but I find that some of the most interesting and challenging tax work has come to me in the context of transactions where there wasn't even an adverse party. Specifically, I've worked with a number of non-U.S. based clients in connection with various internal reorganizations and restructurings of their U.S. operations.

Often motivated by a desire to integrate businesses, improve efficiencies as well as other commercial and regulatory necessities, these reorganizations often involve challenging corporate and cross-border tax issues. Effectuating these reorganizations in a manner that achieves the business or regulatory needs without triggering unintended taxes has provided some of my most interesting and challenging work. Another rewarding aspect of these transactions is that it really provides a tax lawyer with an opportunity to get to know the client and better address other tax matters the client is dealing with.

Q: Currently, what is a pressing tax concern for your clients, and how are you addressing it?

A: We currently see a good number of clients focused on issues related to how they finance their business operations globally. For some time, clients have been seeing increased interest on the part of the Internal Revenue Service in intercompany indebtedness. As seen in a number of recent cases, the government is very focused on whether intercompany financings should be appropriately characterized as debt or equity and whether the terms of such financings are appropriate.

Working with a number of my colleagues, we have been advising clients on developing optimal capital structures that reflect their business needs and appropriate commercial terms, and address the tax considerations raised in the relevant tax authorities. We have also established a client roundtable group, the New York Tax Controversy Forum, which provides a forum where we discuss important issues like this with our clients. This forum has been a productive means of communicating with our clients as to new and developing issues facing the tax community.

Q: What do you anticipate being the biggest regulatory challenge in your practice in the coming year and why?

A: This is no surprise but the Foreign Account Tax Compliance Act has fundamentally impacted U.S. and non-U.S. clients in how they do business, unlike any other recent tax legislation. While there are the obvious compliance aspects affecting many of our clients, the issues flow through to documentation of almost any transaction as well as the allocation of risks between parties. While the government diligently continues to issue guidance, adapting so many parties and transactions for FATCA remains a process that will continue for quite some time.

Q: Outside of your own firm, who is an attorney in your practice area whom you admire, and what is the story of how s/he impressed you?

A: David Goldman at Fortress Investment Group. David was a previously a partner at Mayer Brown and had a tremendous influence on me as an associate. Aside from his technical knowledge and analytical skills, David was very skilled at mentoring. As a partner, he truly encouraged associate development at a substantive and practical level. While always maintaining a supervisory role, he allowed his associates to take initiative, think independently and truly develop into capable tax lawyers. He somehow managed to strike the perfect balance between supervising the associates while also granting them independence in handling client work. It was this balance that I believe really helped many of the associates he worked with develop into excellent tax lawyers. His training and guidance has influenced my practice as I strive to strike the same balance as a tax partner supervising and training younger lawyers in their pursuit of a career in tax.

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