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Department of the Treasury

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Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:CORP:B01

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Date:

March 14, 2025

LEGEND

Foreign Partnership =

LLC 1 =

Foreign Holding =

Parent =

Fsub 1 =

Fsub 2 =

Fsub 3 =

Domestic Partnership =

Sub 1 =

Domestic Holding =

State A =

Country X =

Country Y =

Date 1 =

a =

b =

c =

d =

Dear :

This letter responds to your representatives' letter dated June 21, 2024, requesting rulings on certain Federal income tax consequences of a completed transaction (the "Migration," as defined below). The material information provided in that request and in subsequent correspondence is summarized below.

This letter is issued pursuant to Rev. Proc. 2024-1, 2024-1 I.R.B. 1. This office expresses no opinion as to any issue not specifically addressed by the rulings below.

The rulings contained in this letter are based on facts and representations submitted by the taxpayer and accompanied by a penalties of perjury statement executed by an appropriate party. This office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process.

Summary of Facts

Foreign Partnership is a Country X limited partnership classified as a partnership for Federal income tax purposes. Foreign Partnership owns, indirectly through a series of entities disregarded as separate from Foreign Partnership for Federal income tax purposes, all the outstanding equity interest in LLC 1, a Country Y limited liability company that is disregarded as an entity separate from Foreign Partnership for Federal income tax purposes. LLC 1 operates as a holding company for a worldwide group of foreign and domestic entities (the “LLC 1 Worldwide Group”). The following summary describes the relevant ownership structure of the LLC 1 Worldwide Group immediately prior to the Migration.

LLC 1 owned all the outstanding equity interests in Foreign Holding, a Country Y limited company classified as a corporation for Federal income tax purposes. Foreign Holding owned all the outstanding stock of Parent, a State A corporation. Parent was the common parent of an affiliated group of corporations that previously elected to file a life-nonlife consolidated federal income tax return in accordance with the provisions of sections 1501, 1502, and 1504(c)(2) and the Treasury regulations promulgated thereunder (the “Parent Consolidated Group”).

Foreign Holding owned all the outstanding equity interests in Fsub 1, Fsub 2, and Fsub 3, each a Country Y limited company classified as a corporation for Federal income tax purposes. Foreign Holding owned approximately a percent of the outstanding equity interest in Domestic Partnership, a State A limited partnership classified as a partnership for Federal income tax purposes. Fsub 3 owned the remaining approximately b percent of equity interests in Domestic Partnership. Foreign Holding owned approximately c percent of the outstanding equity interests in Sub 1, a Country Y limited company that has made an election pursuant to section 953(d) to be treated as a domestic corporation for Federal income tax purposes. Domestic Partnership owned the remaining approximately d percent of equity interests in Sub 1.

Completed Transaction

For what are represented to be valid corporate business purposes, on Date 1, Foreign Holding effected a domestication under State A law and incorporated itself as Domestic Holding (the “Migration”).

In the Migration, the following transaction was deemed to occur:

1. Foreign Holding (as the legal entity in existence immediately prior to the Migration, the “Deemed Transferor Corporation”) transferred all of its assets and liabilities to Domestic Holding (as the legal entity in existence immediately following the Migration, the “Deemed Resulting Corporation”) in exchange for all the Domestic Holding stock (the “Deemed Exchange”).

2. Foreign Holding made a liquidating distribution of Domestic Holding stock to its shareholders (the “Deemed Liquidation”).

Representations

Parent makes the following representations in connection with the Migration:

1. All other transactions undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to the Migration have been fully disclosed.
2. All exchanges effectuating the Migration were on a value-for-value basis under arm’s length terms.
3. The fair market value of all property transferred in any exchange effectuating the Migration exceeded all liabilities assumed under section 357(d) at the time of such exchange.
4. Each party to the Migration was solvent, for Federal income tax purposes, immediately before and immediately after the Migration.
5. No party to the Migration is an organization exempt from Federal income tax within the meaning of section 501.
6. No party to the Migration was a “personal service corporation” within the meaning of section 269A.
7. Items of income, gain, loss, deduction, and credit, if any, will be taken into account as required by the applicable intercompany transaction regulations.
8. Any excess loss account in the stock of the entities involved in the Migration will be taken into account as required by Treas. Reg. §1.1502-19.
9. No party to the Migration was a U.S. real property holding corporation (as defined in section 897(c)(2)) at any time during the five-year period preceding the Migration, and no party to the Migration was a U.S. real property holding corporation immediately after the Migration.
10. The Migration is not part of a plan (or series of related transactions) resulting in an acquisition described in section 7874(a)(2)(B)(i).
11. No party to the Migration had any outstanding, or will issue any, fast- pay stock as defined in Treas. Reg. §1.7701(l)-3.

12. The Migration was not undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to a transaction designated as a “listed transaction” for purposes of Treas. Reg. §§1.6011-4T(b)(2) and 301.6111-2T.
13. No party to the Migration had any outstanding, or will issue any, shares of preferred stock as defined in section 351(g).
14. The Migration was undertaken pursuant to a plan of reorganization, as described in Treas. Reg. §§1.368-1(c) and 1.368-2(g), that was adopted by the taxpayer and each of its affiliates as necessary, before the Migration.
15. As a result of the Migration, the shareholders of the Deemed Transferor Corporation owned all of the outstanding Deemed Resulting Corporation stock and owned such stock solely by reason of their ownership of the Deemed Transferor Corporation’s stock immediately prior to the Migration. For purposes of this representation, a de minimis amount of stock issued by the Deemed Resulting Corporation other than in respect of stock of the Deemed Transferor Corporation to facilitate the organization of the Deemed Resulting Corporation or maintain its legal existence is disregarded.
16. The shareholders of Deemed Transferor Corporation, determined immediately prior to the Migration, owned all of the outstanding stock of the Deemed Resulting Corporation immediately after the Migration in identical proportions by value other than as a result of a de minimis amount, if any, of stock issued by Deemed Resulting Corporation to facilitate its organization or maintain its legal existence.
17. There is no plan or intention for the Deemed Resulting Corporation to issue additional shares of its stock in the transaction.
18. Immediately before the Migration, the Deemed Resulting Corporation had no business history, tax attributes (including those specified in section 381(c)), or assets other than (i) business history, tax attributes, or assets owned prior to the Migration as Deemed Transferor Corporation, and (ii) a de minimis amount of assets to facilitate its organization or maintain its legal existence and tax attributes related to holding those assets or proceeds of borrowings undertaken in connection with the Migration.
19. Immediately after the Migration, no corporation other than the Deemed Resulting Corporation held property that was held by the Deemed Transferor Corporation immediately before the Migration, if such other corporation would have, as a result, succeeded to and taken into account the items of the Deemed Transferor Corporation described in section 381(c).

20. Immediately after the Migration, the Deemed Resulting Corporation did not hold property acquired from a corporation other than the Deemed Transferor Corporation if the Deemed Resulting Corporation would have, as a result, succeeded to and taken into account the items of such other corporation described in section 381(c).
21. The Deemed Transferor Corporation completely liquidated (or was deemed to liquidate) in the Migration for Federal income tax purposes.
22. The liabilities of the Deemed Transferor Corporation that were deemed assumed by the Deemed Resulting Corporation, within the meaning of section 357(d), were incurred by the Deemed Transferor Corporation in the ordinary course of business and are associated with the assets transferred.
23. The Deemed Resulting Corporation, Deemed Transferor Corporation and Deemed Transferor Corporation's shareholders paid their respective expenses, if any, incurred in connection with the Migration.
24. The aggregate fair market value of the assets of Deemed Transferor Corporation that were held by Deemed Resulting Corporation immediately after the Migration equaled or exceeded Deemed Resulting Corporation's aggregate basis in such assets at that time.
25. The Migration was motivated, in whole or substantial part, by one or more bona fide non-Federal income tax purposes as described in this request for ruling.
26. At the time of the Migration, no party to the transaction was under the jurisdiction of a court in a title 11 or similar case (within the meaning of section 368(a)(3)(A)).
27. Immediately before the Migration, no party to the Migration was an investment company within the meaning of section 368(a)(2)(F).
28. Any shareholder of Foreign Holding that is a United States person will, to the extent provided by Treas. Reg. §1.367(b)-3, include in its income as a deemed dividend the "all earnings and profits amount" (within the meaning of Treas. Reg. §1.367(b)-2(d)), if any, with respect to its stock in Foreign Holding, or recognize gain with respect to its stock in Foreign Holding under Treas. Reg. §1.367(b)-3(c)(2), in connection with the Migration.
29. The Migration was not preceded by an indirect stock transfer described in Treas. Reg. §1.367(a)-3(d)(1)(iii)(A).

30. Immediately before the Migration, there was no “excess asset basis” (within the meaning of Prop. Treas. Reg. §1.367(b)-3(g)(2)(i)), with respect to Foreign Holding, as Foreign Holding’s inside basis in its assets did not exceed the sum of (i) its current and accumulated earnings and profits, (ii) the outside stock basis of Foreign Holding, and (iii) the aggregate amount of any liabilities of Foreign Holding.
31. The Migration did not include the transfer of stock in any corporation that has been the U.S. transferor, the transferee foreign corporation, or the transferred corporation with respect to any unexpired “gain recognition agreement” within the meaning of Treas. Reg. §§1.367(a)-3 and 1.367(a)-8.
32. Foreign Holding is not a passive foreign investment company (“PFIC”) (within the meaning of section 1297) or former PFIC.
33. Foreign Holding will comply with the section 367(b) notice requirements in Treas. Reg. §1.367(b)-1(c)(1) with respect to transfers in connection with the Migration.
34. Immediately after the Migration, more than 50 percent of the value of the equity of Domestic Holding was attributable to the value of the shares of Parent.

Rulings

Based on the facts and representations received, we rule as follows with respect to the Migration:

1. The Migration will qualify as a reorganization under section 368(a)(1)(F). Foreign Holding and Domestic Holding each will be a “party to a reorganization” within the meaning of section 368(b).
2. The Deemed Exchange will constitute a “reverse acquisition” within the meaning of Treas. Reg. §1.1502-75(d)(3). The Deemed Liquidation will have no effect on this determination. The Parent Consolidated Group will remain in existence with Domestic Holding as the new common parent following the Migration. Treas. Reg. §1.1502-75(d)(3)(i).

Caveats

Except as expressly provided herein, we express no opinion concerning the tax consequences of any aspect of any matter or item discussed or referenced in this letter. Moreover, no opinion is expressed about the tax treatment of the transactions or of any other matter under other provisions of the Code or regulations or about the tax

treatment of any conditions existing at the time of, or effects resulting from, the Migration not specifically covered in the above rulings.

Procedural Statements

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to its returns that provides the date on and control number of the letter ruling.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representatives.

Sincerely,

Kelton P. Frye
Assistant to the Branch Chief, Branch 2
Office of Associate Chief Counsel (Corporate)

cc: