

Withdrawal of Notice of Proposed Regulations

Requirements Relating to Certain Exchanges Involving a Foreign Corporation

LR-230-76

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Withdrawal of notice of proposed regulations.

SUMMARY: This document withdraws proposed regulations under section 367(c). The proposed regulations correspond to temporary regulations that are also being removed by T.D. 8938 on page 929 of this Bulletin. The temporary regulations are being removed because they are no longer necessary and, as a result, may be misleading.

FOR FURTHER INFORMATION CONTACT: Mark D. Harris at (202) 622-3860 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

On December 30, 1977, the IRS and Treasury published in the **Federal Register** proposed regulations (42 FR 65204) and temporary regulations (42 FR 65152) under section 367(c) of the Internal Revenue Code. The principal purpose of these regulations, §§7.367(c)-1 and 7.367(c)-2, was to distinguish between the treatment of transfers described in section 367(c) before and after the enactment of the Tax Reform Act of 1976 (the Act) (90 Stat. 1634). Before enactment of the Act, transfers described in section 367(c) were subject to a ruling requirement. After enactment of the Act, transfers described in section 367(c) were within the scope of §§7.367(b)-1 through 7.367(b)-12. In light of the substantial time that has passed since enactment of the Act and, moreover, in light of the fact that §§1.367(b)-1 through 1.367(b)-6 have substantially superceded §§7.367(b)-1 through 7.367(b)-12, §§7.367(c)-1 and 7.367(c)-2 are no longer necessary and may be misleading.

Accordingly, the IRS and Treasury through T.D. 8938 are removing tempo-

rary regulations §§7.367(c)-1 and 7.367(c)-2 in T.D. 7530. Correspondingly, this document removes proposed regulations §§7.367(c)-1 and 7.367(c)-2.

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Withdrawal of Proposed Amendments to the Regulations

Accordingly, under the authority of 26 U.S.C. 7805, proposed regulations under 26 CFR part 7 relating to §§7.367(c)-1 and 7.367(c)-2, as published December 30, 1977 (42 FR 65204), are withdrawn.

Robert E. Wenzel,
*Deputy Commissioner
of Internal Revenue.*

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