

Internal Revenue Service

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Department of the Treasury

Washington, DC 20224

[Third Party Communication:

Date of Communication: Month DD, YYYY]

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:INTL:B04

PLR-132555-08

Date:

January 07, 2009

Taxpayer =

Entity 1 =

Entity 2 =

Entity 3 =

Entity 4 =

Entity 5 =

Entity 6 =

Entity 7 =

Country

A =

Country

B =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Year 1 =

Year 2 =

Amount

A =

Dear :

This letter responds to a letter dated June 26, 2008, requesting an extension of time pursuant to Treas. Reg. §§ 301.9100-1 and -3 to furnish to the applicable entities and the Internal Revenue Service the statements and notices required by Treas. Reg. §§ 1.897-2(g) and 1.897-2(h)(2). These statements and notices are related to internal restructuring transactions occurring in Year 1 and Year 2 involving the transfer of interests in domestic corporations. Note that the procedures of Rev. Proc. 2008-27 apply with respect to requests for relief for untimely statements and notices under Treas. Reg. §§ 1.897-2(g) and 1.897-2(h)(2) filed after June 26, 2008. The information submitted for consideration is substantially as set forth below.

The rulings contained in this letter are predicated upon facts and representations submitted by you and accompanied by penalty of perjury statements executed by the appropriate parties. This office has not verified any of the above material submitted in support of the request for ruling. Verification of the factual information, representations, and other data may be required as a part of the audit process.

FACTUAL BACKGROUND

Taxpayer is a Country A corporation which directly or indirectly owned the entities involved in the transactions described below in Year 1 and Year 2. During those years the following transactions occurred:

Transaction 1: On Date 1, Taxpayer acquired Entity 1, a Country A corporation, including its wholly-owned subsidiaries Entity 2 and Entity 3. As a result of the acquisition, Entity 2, a Country A corporation, was treated as selling the stock of its subsidiary Entity 3 (a domestic corporation) to Entity 4, a Country A corporation wholly-owned by Entity 1. Entity 3 did not provide a statement to Entity 2 or notice of the statement to the Internal Revenue Service under Treas. Reg. §§ 1.897-2(g) and 1.897-2(h)(2).

Transaction 2: Effective on Date 2, Entity 4 elected under Treas. Reg. § 301.7701-3 to be treated as an entity disregarded from its owner for federal tax purposes. Entity 4's election to be disregarded resulted in a deemed liquidation of Entity 4 into Entity 1. Entity 4 owned all the stock of Entity 3 at the time of the election. Entity 3 did not provide a statement to Entity 4 or notice of the statement to the IRS under Treas. Reg. §§ 1.897-2(g) and 1.897-2(h)(2).

Transaction 3: On Date 3, Entity 1 transferred Entity 3 to Entity 5 (a domestic corporation) in exchange for Amount A. Entity 3 subsequently merged into Entity 5. This transaction was treated for U.S. tax purposes as if: (1) Entity 3 transferred all of its assets to Entity 5 in exchange for Amount A and a nominal share of Entity 5 stock; (2) Entity 3 distributed Amount A and Entity 5 stock to Entity 1 in exchange for Entity 3 stock owned by Entity 1; (3) Entity 1 thereafter exchanged its stock in Entity 3 for Amount A and the Entity 5 stock; and (4) Entity 1 distributed the Entity 5 stock to its parent, Taxpayer. With respect to this transaction, Entity 3 did not provide a statement to Entity 1 or notice of the statement to the IRS under Treas. Reg. §§1.897-2(g) and 1.897-2(h)(2). Similarly, Entity 5 did not provide a statement to Entity 1 or notice of the statement to the IRS on the distribution of the Entity 5 stock to Taxpayer under Treas. Reg. §§ 1.897-2(g) and 1.897-2(h)(2).

Transaction 4: On Date 4, Entity 6, a Country B corporation, transferred the stock of Entity 7 (a domestic corporation) to Entity 5. Entity 7 did not provide a statement to Entity 6 or notice of the statement to the IRS under Treas. Reg. §§1.897-2(g) and 1.897-2(h)(2).

DISCUSSION

Treas. Reg. § 301.9100-1(c) provides that the Commissioner has discretion to grant a reasonable extension of time under the rules set forth in Treas. Reg. § 301.9100-3 to make a regulatory election under all subtitles of the Internal Revenue Code except subtitles E, G, H, and I.

Treas. Reg. § 301.9100-1(b) defines a regulatory election as an election whose due date is prescribed by a regulation, revenue ruling, revenue procedure, notice, or announcement. An election includes an application for relief in respect of tax.

Treas. Reg. § 301.9100-3(a) provides that requests for relief subject to this section will be granted when the taxpayer provides evidence (including affidavits described in Treas. Reg. § 301.9100-3(e)) to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and that the grant of relief will not prejudice the interests of the government.

RULINGS

Based on the facts and circumstances of this case, we conclude that the standards of Treas. Reg. § 301.9100-3(a) have been satisfied. Accordingly, we provide the following rulings:

For Transaction 1, Entity 2 and 3 are granted extensions of time until 60 days from the date of this letter ruling to satisfy the statement and notice requirements of Treas. Reg. §§ 1.897-2(g) and 1.897-2(h)(2).

For Transaction 2, Entities 3 and 4 are granted extensions of time until 60 days from the date of this letter ruling to satisfy the statement and notice requirements of Treas. Reg. §§ 1.897-2(g) and 1.897-2(h)(2).

For Transaction 3, Entities 1, 3, and 5 are granted extensions of time until 60 days from the date of this letter ruling to satisfy the statement and notice requirements of Treas. Reg. §§ 1.897-2(g) and 1.897-2(h)(2).

For Transaction 4, Entities 6 and 7 are granted extensions of time until 60 days from the date of this letter ruling to satisfy the statement and notice requirements of Treas. Reg. §§ 1.897-2(g) and 1.897-2(h).

The granting of an extension of time is not a determination that Taxpayer or Entities 1-7 are otherwise eligible to comply with the statement or notice requirements. Treas. Reg. § 301.9100-1(a).

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter including the characterization of the transactions as a reorganization.

A copy of this ruling should be attached with the statements and the notices mailed to the IRS.

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

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,

David B. Bailey
Senior Technical Reviewer
Associate Chief Counsel
(International) Branch 4

cc: