

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:FIP:B1
PLR-132314-16
Date:
January 13, 2017

Legend

Fund =

Dear :

This letter revokes a part of PLR 201104013 (PLR-123164-10) issued to Fund on October 20, 2010, and, in response to a request from your authorized representative dated December 27, 2016, limits the retroactive effect of such revocation pursuant to section 7805(b) of the Internal Revenue Code.

In PLR 201104013, the Internal Revenue Service (the “Service”) issued rulings that (i) income and gain from certain commodity-linked notes constitute qualifying income under section 851(b)(2) (the “CLN Ruling”), and (ii) subpart F income of the Subsidiary attributable to Fund is other income derived from Fund’s business of investing in stock, securities, or currencies and, therefore, constitutes qualifying income under section 851(b)(2) (the “Subpart F Ruling”). In a letter dated September 29, 2016, the Service notified Fund that it was considering revoking the CLN Ruling. On December 27, 2016, Fund requested that the Service exercise its discretionary authority under section 7805(b) to limit the retroactive effect of any revocation.

Since issuing PLR 201104013, the Service has determined that having provided a private letter ruling on the issue in the CLN Ruling is not in accord with the current views of the Service. See Rev. Proc. 2016-50, 2016-43 I.R.B. 522, superseded by Rev. Proc. 2017-3, 2017-1 I.R.B.130, 140 (section 4.01(44)); see also REG-123600-16, 81 Fed. Reg. 66576-77 (Sept. 28, 2016). Section 11.04 of Rev. Proc. 2017-1, 2017-1 I.R.B. 1, 61, provides, in part, that unless it was part of a closing agreement, a letter ruling found to be in error or not in accordance with the current views of the Service may be revoked

or modified. Accordingly, the CLN Ruling in PLR 201104013 is revoked. The Subpart F Ruling is not revoked and that portion of PLR 201104013 remains in effect at this time.

Section 11.04 of Rev. Proc. 2017-1 also provides that, if a letter ruling is revoked, the revocation applies to all years open under the statute of limitations on assessment unless the Service uses its discretionary authority under section 7805(b) to limit the retroactive effect of the revocation. In accordance with Fund's request, the Service has decided to grant relief under section 7805(b). The revocation of the CLN Ruling in PLR 201104013 will apply prospectively only to commodity-linked notes acquired by Fund after June 30, 2017.

In accordance with the power of attorney on file with this office, we are sending a copy of this letter to Fund's authorized representative. We are also sending a copy of this letter to the appropriate operating division.

Sincerely,

Pamela Lew
Senior Counsel, Branch 2
Office of Associate Chief Counsel
(Financial Institutions and Products)