

Internal Revenue Service

Number: **201716038**

Release Date: 4/21/2017

Index Number: 851.02-00, 7805.00-00

Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:FIP:B03

PLR-132399-16

Date:

January 13, 2017

Legend

Fund =

Dear :

This letter revokes PLR 201135001 (PLR-101610-11) issued to Fund on May 23, 2011, and, in response to a request from your authorized representative dated November 22, 2016, limits the retroactive effect of such revocation pursuant to section 7805(b) of the Internal Revenue Code.

In PLR 201135001, the Internal Revenue Service (the "Service") issued a ruling that income and gain from certain commodity-linked notes constitute qualifying income under section 851(b)(2) (the "CLN Ruling"). In a letter dated September 29, 2016, the Service notified Fund that it was considering revoking the CLN Ruling. On November 22, 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 201135001, 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 Proc. 2016-50, 2016-43 I.R.B. 522, superseded by Rev.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, PLR 201135001 is revoked.

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 PLR 201135001 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 representatives. We are also sending a copy of this letter to the appropriate operating division.

Sincerely,

Julanne Allen
Assistant Branch Chief, Branch 3
Office of Associate Chief Counsel
(Financial Institutions and Products)