

Number: **201716040**  
Release Date: 4/21/2017  
Index Number: 851.02-00

Department of the Treasury  
Washington, DC 20224

Third Party Communication: None  
Date of Communication: Not Applicable

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CC:FIP:B2  
PLR-132398-16  
Date:  
January 17, 2017

### Legend

Portfolio =

Dear \_\_\_\_\_ :

This letter revokes a part of PLR 201131001 (PLR-104670-11) issued to Portfolio on April 18, 2011.

In PLR 201131001, 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 Subsidiaries attributable to Portfolio is other income derived from Portfolio’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 Portfolio that it was considering revoking the CLN Ruling.

Since issuing PLR 201131001, 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 Proc. 2016-50, 2016-43 I.R.B. 522, superseded by Rev.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 201131001 is revoked. The Subpart F Ruling is not revoked and that portion of PLR 201131001 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. To date, Portfolio has not responded to the September 29, 2016, letter from the Service with a request for relief under section 7805(b). Therefore, the revocation of the CLN Ruling in PLR 201131001 applies retroactively to all years open under the statute of limitations on assessment as of the date of this letter and to all future years.

We are sending a copy of this letter to the appropriate operating division.

Sincerely,

Andrea M. Hoffenson  
Andrea M. Hoffenson  
Branch Chief, Branch 2  
Office of Associate Chief Counsel  
(Financial Institutions and Products)