

## Internal Revenue Service

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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:B2

PLR-131671-16

Date:

January 17, 2017

### Legend

Fund =

Dear :

This letter revokes a part of PLR 200647017 (PLR-125782-06) issued to Fund on August 10, 2006, and, in response to your request dated November 30, 2016, limits the retroactive effect of such revocation pursuant to section 7805(b) of the Internal Revenue Code.

In PLR 200647017, 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) income derived by Fund from its investment in the Subsidiary, whether or not attributable to subpart F income, is income derived from the Fund's business of investing in stock, securities, or currencies and, therefore, constitutes qualifying income under section 851(b)(2) (the "Subsidiary Ruling"). In a letter dated September 29, 2016, the Service notified Fund that it was considering revoking the CLN Ruling. On November 30, 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 200647017, 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 Proc. 2016-50, 2016-43 I.R.B. 522, superseded by Rev.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 200647017 is revoked. The Subsidiary Ruling is not revoked and that portion of PLR 200647017 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 200647017 will apply prospectively only to commodity-linked notes acquired by Fund after June 30, 2017.

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)