

Number: **201717028**
Release Date: 4/28/2017
Index Number: 851.02-00

Department of the Treasury
Washington, DC 20224

[Third Party Communication:
Date of Communication: Month DD, YYYY]

Person To Contact: _____, ID No. _____

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Refer Reply To:
CC:FIP:B1
PLR-132308-16
Date:
January 13, 2017

Legend

Fund A =

Fund B =

Dear _____ :

This letter revokes a part of PLR 201103033 (PLR-134355-10¹) issued to Funds A and B (the “Funds”) on October 12, 2010.

In PLR 201103033, 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

¹ PLR-134355-10 is the controlling PLR number for a multi-filer private letter ruling. Each of Funds A and B were assigned a separate PLR number. This letter refers to the controlling PLR number, but applies equally to the rulings issued to all of the Funds under their respective, separately assigned PLR numbers.

attributable to the Funds is other income derived from the Funds' businesses 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 the Funds that it was considering revoking the CLN Ruling.

Since issuing PLR 201103033, 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 Proc. 2016-50, 2016-43 I.R.B. 522, superseded by Rev.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 201103033 is revoked. The Subpart F Ruling is not revoked and that portion of PLR 201103033 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, the Funds have 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 201103033 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.

In accordance with the power of attorney on file with this office, we are sending a copy of this letter to the Funds' authorized representatives. 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)

cc: