

**Internal Revenue Service**

Department of the Treasury  
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Person To Contact:  
  
, ID No.

Telephone Number:

Refer Reply To:  
CC:FIP:B2  
PLR-131937-16

Date:  
February 10, 2017

Legend

Fund A =

Fund B =

Dear :

This letter revokes PLR 200637018 (PLR-123928-06<sup>1</sup>) issued to Funds A and B (the “Funds”) on June 1, 2006, and, in response to a request from your authorized representative dated October 20, 2016, limits the retroactive effect of such revocation pursuant to section 7805(b) of the Internal Revenue Code.

In PLR 200637018, 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 the Funds that it was considering revoking the CLN Ruling. On October 20, 2016, the Funds requested that the Service exercise its discretionary authority under section 7805(b) to limit the retroactive effect of any revocation.

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<sup>1</sup> PLR-123928-06 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 both Funds under their respective, separately assigned PLR numbers.

Since issuing PLR 200637018, 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 Proc. 2016-50, 2016-43 I.R.B. 522, superseded by Rev.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 200637018 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 the Funds' request, the Service has decided to grant relief under section 7805(b). The revocation of PLR 200637018 will apply prospectively only to commodity-linked notes acquired by the Funds 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 the Funds' authorized representative. We are also 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)