

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Person To Contact:
, ID No.

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Date:
November 28, 2025

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Legend

Taxpayer	=	
		EIN:
Date 1	=	
Country X	=	
Company A	=	
Company B	=	
		EIN:
Company C	=	
		EIN:
Accounting Firm 1	=	
Year 1	=	

Dear :

This is in response to a letter received by our office on June 26, 2025, submitted on behalf of Taxpayer by Company B, its sole shareholder, requesting an extension of time under Treas. Reg. § 301.9100-3 to make the election provided by section 953(d) of the Internal Revenue Code (Code) to be treated as a domestic corporation for U.S. tax purposes effective for Date 1.

The ruling contained in this letter is based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for the ruling, it is subject to verification on examination.

FACTS

Taxpayer is a regulated insurance company organized under the laws of Country X on Date 1. Taxpayer was formed by Company A, also a Country X corporation, to reinsure certain risks. On Date 1, Company A entered into an agreement with Company B, a U.S. corporation, whereby Company B purchased Company A's participating shares comprising all the equity interest in Taxpayer. Company B is a wholly owned subsidiary of Company C. Company C is the parent company of a U.S. affiliated group which files a consolidated federal income tax return. Taxpayer will be a member of such affiliated group as a result of its election under section 953(d). Company C represents that since Taxpayer's formation, Taxpayer has met the requirements to be taxed as an insurance company for federal income tax purposes.

Company C has engaged the services of Accounting Firm 1 for several years including the preparation of its federal income tax return and make all relevant elections for Year 1. Company C relied on Accounting Firm 1 to ensure that the section 953(d) election statement was properly filed and that all necessary elements required to effect the election were completed. Unfortunately, Accounting Firm 1 failed to timely file a section 953(d) election statement to be treated as a domestic corporation for federal income tax purposes as of Date 1.

Taxpayer represents that it does not seek to alter a return position for which the accuracy-related penalty has been or could have been imposed under section 6662 at the time Taxpayer requested relief and that it has not used hindsight to seek an extension of time to make the election. Taxpayer also represents that granting relief will not result in a lower tax liability in the aggregate for all taxable years affected by the election than it would have had if it had filed the section 953(d) election timely.

LAW AND ANALYSIS

Under section 953(d), certain foreign insurance companies may elect to be treated as domestic corporations for U.S. tax purposes. The substantive and procedural rules for making a section 953(d) election are contained in Notice 89-79, 1989-2 C.B. 392, and Rev. Proc. 2003-47, 2003-2 C.B. 55. Rev. Proc. 2003-47 provides that the election must be filed by the due date prescribed in section 6072(b) (including extensions) for the U.S. income tax return that is due if the election becomes effective. Rev. Proc. 2003-47, section 4.04(2). In addition, an electing corporation must use the calendar year as its annual accounting period for U.S. tax purposes, unless it joins in the filing of a consolidated return and adopts the parent corporation's tax year. Notice 89-79, section 1. Rev. Proc. 2003-47 fixes the time to make the election under section 953(d). Therefore, the Commissioner has discretionary authority under Treas. Reg. § 301.9100-1(c) to grant Taxpayer an extension of time, provided that Taxpayer satisfies the standards set forth under Treas. Reg. § 301.9100-3(a).

Treas. Reg. § 301.9100-3(a) provides that requests for relief subject to this section will be granted when the taxpayer provides the evidence (including affidavits described in Treas. Reg. § 301.9100-3(e)) to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and the grant of relief will not prejudice the interests of the Government.

Treas. Reg. § 301.9100-3(b)(1) provides that except as provided in paragraphs (b)(3)(i) through (iii) of that section, a taxpayer is deemed to have acted reasonably and in good faith if it meets one of the conditions described in Treas. Reg. § 301.9100-3(b)(1)(i) through (v):

- (i) Requests relief before the failure to make the regulatory election is discovered by the Internal Revenue Service;
- (ii) Failed to make the election because of intervening events beyond the taxpayer's control;
- (iii) Failed to make the election because, after exercising reasonable diligence (taking into account the taxpayer's experience and complexity of the return or issue), the taxpayer was unaware of the necessity for the election;
- (iv) Reasonably relied on the written advice of the Internal Revenue Service; or
- (v) Reasonably relied on a qualified tax professional, including a tax professional employed by the taxpayer, and the tax professional failed to make, or advise the taxpayer to make, the election.

Further, the Commissioner will grant a reasonable extension of time to make a regulatory election only when the interests of the Government will not be prejudiced by the granting of relief. Treas. Reg. § 301.9100-3(c)(1). The interests of the Government are prejudiced if granting relief would result in a taxpayer having a lower tax liability in the aggregate for all taxable years affected by the election than the taxpayer would have had if the election had been timely made (taking into account the time value of money). Treas. Reg. § 301.9100-3(c)(1)(i).

Lastly, Treas. Reg. § 301.9100-1(a) cautions that granting an extension of time to make an election is not a determination that the taxpayer is otherwise eligible to make the election.

CONCLUSION

Based on the facts and information submitted, we conclude that Taxpayer satisfies Treas. Reg. § 301.9100-3(a). Taxpayer qualifies for an extension of time to make the election under section 953(d). Taxpayer is deemed to have acted in good faith, as defined by Treas. Reg. § 301.9100-3(b), and the grant of relief will not prejudice

the interests of the Government. Accordingly, Taxpayer is granted an extension of time of 90 days from the date of this ruling letter to submit a section 953(d) election statement, in accordance with the procedural rules set forth in Rev. Proc. 2003-47, to be treated as a domestic corporation for federal income tax purposes effective as of Date 1.

The above extension of time is conditioned on Taxpayer's tax liability (if any) being not lower, in the aggregate, for all years to which the section 953(d) election applies than it would have been if the election had been timely filed (taking into account the time value of money). No opinion is expressed as to Taxpayer's tax liability for the years involved. Further, the granting of the above extension is not a determination that Taxpayer is otherwise eligible to make the section 953(d) election. Treas. Reg. § 301.9100-1(a).

The Taxpayer should attach a copy of this letter ruling to its federal income tax return for the relevant year.

This ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

Except as otherwise expressly provided herein, no opinion is expressed as to whether Taxpayer otherwise satisfies the requirements of section 953(d). In addition, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

Pursuant to a power of attorney on file in this office, a copy of this ruling letter is being furnished to your authorized representative.

Sincerely,

/s/ Kristine A. Crabtree

Kristine A. Crabtree
Senior Counsel, Branch 2
Associate Chief Counsel (International)

cc: