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:CORP:BO5
PLR-104372-26

Date:
August 26, 2026

Legend

Foreign Parent =

Distributing =

Controlled =

Foreign Subsidiary =

Business A =

Business B1 =

Business B2 =

Contractual Arrangements =

Transitional Arrangements =

Country X =

Country Y =

Date 1 =

Date 2 =

Assets =

Dear :

This letter responds to your authorized representatives' letter dated March 16, 2026 (the "Ruling Request"), submitted on behalf of Distributing, requesting rulings on certain federal tax consequences of a series of transactions (the "Proposed Transaction," as defined below). The material information submitted in that letter and in subsequent correspondence is summarized below.

This letter is issued pursuant to Rev. Proc. 2026-1, 2026-1 I.R.B. 1, and Rev. Proc. 2017-52, 2017-41 I.R.B. 283, as amplified and modified by Rev. Proc. 2025-30, 2025-42 I.R.B. 489, regarding one or more "Covered Transactions" under sections 355 and 368 of the Internal Revenue Code (the "Code"). This Office expresses no opinion as to any issue not specifically addressed by the rulings below.

The rulings contained in this letter are based on facts and representations submitted by the taxpayer and accompanied by a penalties of perjury statement executed by an appropriate party. This Office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process.

This Office has made no determination regarding whether the Distribution (defined below) satisfies the business purpose requirement of Treas. Reg. § 1.355-2(b).

Summary of Facts

Foreign Parent is a publicly traded Country X corporation and is the parent of a worldwide group ("Worldwide Group") that includes both domestic and foreign entities. Foreign Parent wholly owns Distributing, a domestic corporation and the common parent of an affiliated group of corporations filing a consolidated U.S. federal income tax return. Distributing wholly owns Controlled, a member of its consolidated group. Foreign Parent also wholly owns Foreign Subsidiary, a Country Y corporation.

Distributing is directly engaged in Business A and Business B1. Controlled is engaged in Business B2. Business B1 is a business unit separate from Business A. For purposes of satisfying the active trade or business requirements of section 355(b) with respect to the Distribution (defined below), financial information has been submitted in accordance with Rev. Proc. 2017-52, 2017-41 I.R.B. 283, indicating that each of Business A, Business B1, and Business B2 has had gross receipts and operating expenses representing the active conduct of a trade or business for each of the past five years.

On Date 1 and Date 2, Foreign Parent contributed Assets to Distributing in transactions represented to qualify as section 351 exchanges.

Controlled currently participates in the Contractual Arrangements with Distributing. Other members of the Worldwide Group participate in the Contractual Arrangements with Distributing on identical, arm's-length terms, and the Contractual Arrangements are managed by employees of Foreign Parent.

Proposed Transaction

For what are represented to be valid business reasons, Distributing proposes to engage in the following steps (collectively, the "Proposed Transaction"):

(1) Distributing will contribute to Controlled all the assets and liabilities associated with Business B1 (the "Contribution").

(2) Distributing will distribute all the Controlled stock to Foreign Parent (the "Distribution").

(3) Foreign Parent will contribute all the Controlled stock to Foreign Subsidiary in a transaction represented to qualify under section 351(a).

In addition, Controlled and Distributing will engage in the Transitional Arrangements, which will terminate no later than two years after the Distribution. After the Proposed Transaction, Controlled also will continue to participate in the Contractual Arrangements with Distributing (together with the Transitional Arrangements, the "Continuing Arrangements") on the same arm's-length terms as other members of the Worldwide Group, and employees of Foreign Parent will continue to manage the Contractual Arrangements.

None of Distributing's directors or officers will serve as directors or officers of Controlled. None of Controlled's directors or officers will serve as directors or officers of Distributing.

Representations

The following representations have been made with respect to the Proposed Transaction:

Rev. Proc. 2017-52 Representations

Except as set forth below, Distributing has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

Distributing has made the following alternative representations:

Representations: 3(a), 8(a), 15(a), 22(a), 31(a), 41(a)

Distributing has not made the following representations, which do not apply to the Proposed Transaction:

Representations 7, 19, 20, 24, 25, 35, 39

Distributing has not made the following representation:

Representation 40

Distributing has made Representations 11(a) and 32 in a different form than as set forth in Section 3 of the Appendix to Rev. Proc. 2017-52. Distributing has made the modified representations below:

Representation 11(a): Except for in connection with the Continuing Arrangements, following the Distribution, Distributing and Controlled each will continue, independently and with its separate employees, the active conduct of the business on which it relies to meet the active trade or business requirement of section 355(b).

Representation 32: No intercorporate debt will exist between Distributing and Controlled at the time of, or subsequent to, the Distribution of Controlled stock, except for any amounts payable under the Continuing Arrangements.

In lieu of Representation 14 in section 3 of the Appendix to Rev. Proc. 2017-52, Distributing makes the following three representations:

Representation 14A: There is no plan or intention by the Worldwide Group to sell, exchange, transfer by gift, or otherwise dispose of any of its stock in, or securities of, Distributing, Controlled, or Foreign Subsidiary after the Proposed Transaction.

Representation 14B: There is no plan or intention by Distributing or Controlled, directly or through any related person (within the meaning of section 267(b) or section 707(b)(1)), to purchase any of its outstanding stock after the Proposed Transaction.

Representation 14C: There is no plan or intention to liquidate either Distributing or Controlled, to merge either corporation with any other corporation, or to sell or otherwise dispose of the assets of either corporation after the transaction, except in the ordinary course of business.

In lieu of the alternative Representations 15 in section 3 of the Appendix to Rev. Proc. 2017-52, Distributing makes the following representation:

> Representation 15: Immediately after the Distribution, the fair market value of the business assets of each of Distributing and Controlled will be greater than 80 percent of the fair market value of its total assets. For this purpose, the term "business assets" of a corporation means its gross assets used in one or more businesses and all members of such corporation's separate affiliated group (within the meaning of section 355(b)(3)(B)) are treated as one corporation. Such assets include cash and cash equivalents held as a reasonable amount of working capital for one or more businesses. Such assets also include assets required (by binding commitment or legal requirement) to be held to provide for exigencies related to a business or for regulatory purposes with respect to a business.

In lieu of Representation 29 in section 3 of the Appendix to Rev. Proc. 2017-52, Distributing makes the following representation:

> Representation 29: There was no agreement, understanding, arrangement, or substantial negotiations at any point during the two-year period ending on the date of the distribution regarding an acquisition of either Distributing or Controlled (including a predecessor or successor within the meaning of § 1.355-8) or a similar acquisition.

Rev. Proc. 2025-30 Representations:

Except as set forth below, Distributing has made all of the representations in Sections 3 and 4 of Rev. Proc. 2025-30 with respect to the Proposed Transaction:

Distributing has not made the following representations, which do not apply to the Proposed Transaction:

> Section 3 Representation 6
>
> Section 4 Representation 5

In lieu of Representation 4 in section 3 of Rev. Proc. 2025-30, Distributing makes the following representation:

> Except with respect to debt incurred in the ordinary course of its business, Distributing incurred the Distributing debt that will be assumed or satisfied (a) before the request for any relevant ruling is submitted and (b) no later than 60 days before the earliest of the following dates: (i) the date of the first public announcement (as defined in § 1.355-7(h)(10)) of the Proposed Transaction or a

similar transaction, (ii) the date of the entry by Distributing into a binding agreement to engage in the Proposed Transaction or a similar transaction, and (iii) the date of approval of the Proposed Transaction or a similar transaction by the board of directors of Distributing.

Rulings

Based solely on the information submitted and the representations made, we rule as follows with respect to the Proposed Transaction:

1. The Contribution and the Distribution together will constitute a reorganization within the meaning of section 368(a)(1)(D). Distributing and Controlled will each be a party to the reorganization within the meaning of section 368(b).
2. Distributing will not recognize gain or loss on the Contribution. Sections 357(a) and 361(a).
3. Controlled will not recognize gain or loss on the Contribution. Section 1032(a).
4. Controlled's basis in each asset received in the Contribution will be the same as the basis of such assets in the hands of Distributing immediately before the Contribution. Section 362(b).
5. Controlled's holding period in each asset received in the Contribution will include the period during which Distributing held the asset. Section 1223(2).
6. Distributing will not recognize gain or loss on the Distribution. Section 361(c).
7. Foreign Parent will not recognize gain or loss (and no amount will be includable in its income) upon receipt of the Controlled stock in the Distribution. Section 355(a).
8. Foreign Parent's holding period in the Controlled stock received in the Distribution will include the holding period of the Distributing stock with respect to which the Distribution is made, provided that the Distributing stock is held as a capital asset in the hands of Foreign Parent on the date of the Distribution. Section 1223(1).
9. Earnings and profits of Distributing will be allocated between Distributing and Controlled in accordance with section 312(h) and Treas. Reg. §§ 1.312-10(a) and 1.1502-33(e)(3).
10. Distributing will not recognize gain or loss under section 367(e)(1) on the distribution of the Controlled stock to Foreign Parent. Section 1.367(e)-1(c).

Caveats

Except as expressly provided herein, no opinion is expressed or implied concerning the tax treatment of the proposed transaction under any provision of the Code and

regulations or the tax treatment of any condition existing at the time of, or effects resulting from, the proposed transaction that is not specifically covered by the above rulings.

Procedural Statements

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

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, a taxpayer filing its return electronically may satisfy this requirement by attaching a statement to its return that provides the date on and control number (PLR-104372-26) of the letter ruling.

In accordance with the Power of Attorney on file with this Office, a copy of this letter is being sent to your authorized representatives.

Sincerely,

By: _____
Jeremy N. Aron-Dine
Special Counsel
Office of the Associate Chief Counsel (Corporate)

cc: