

[4830-01-U]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[INTL-941-86]

RIN 1545-AI33

Withdrawal of guidance under section 1291 relating to mark to market elections for RICs

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Partial withdrawal of proposed regulations.

SUMMARY: This document withdraws §1.1291-8 of the notice of proposed rulemaking that was published in the **Federal Register** on April 1, 1992, providing guidance under the passive foreign investment company (PFIC) rules relating to the mark to market election for regulated investment companies (RICs) that are shareholders of PFICs.

DATES: Section 1.1291-8 of the proposed regulations published at 57 FR 11024 (April 1, 1992) is withdrawn February 2, 1999.

FOR FURTHER INFORMATION CONTACT: Robert Laudeman of the Office of Associate Chief Counsel (International), Internal Revenue Service, 1111 Constitution Ave., NW., Washington, DC 20224. Telephone (202) 622-3840, not a toll-free number.

SUPPLEMENTARY INFORMATION:

### **Background**

On April 1, 1992 (57 FR 110224), the IRS issued proposed regulations providing, in part, an election under which certain RICs could mark to market their stock in certain PFICs. In the

Taxpayer Relief Act of 1997 Congress enacted section 1296(e)(2) of the Internal Revenue Code, which allows certain RICs to elect to mark to market their PFIC stock. Accordingly, the IRS is withdrawing proposed regulations §1.1291-8. Future guidance will be issued providing rules for all PFIC shareholders, including RICs, on how to mark to market certain PFIC stock.

**Drafting Information**

The principal author of this withdrawal notice is Robert Laudeman, Office of the Associate Chief Counsel (International). However, other personnel from the IRS and Treasury Department participated in developing the withdrawal notice.

**List of Subjects in Part 1**

Income taxes, Reporting and recordkeeping requirements.

**Partial Withdrawal of Proposed Amendments to the Regulations**

Accordingly, under the authority of 26 U.S.C. 7805, §1.1291-8 of the proposed amendments to 26 CFR part 1 published at 57 FR 11024 (April 1, 1992), is withdrawn.

Robert E. Wenzel

Deputy Commissioner of Internal Revenue