

Section 367.—Foreign Corporations

26 CFR 7.367(c)–1: Section 355 distribution treated as an exchange (temporary).

T.D. 8938

DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Part 7

Requirements Relating to Certain Exchanges Involving a Foreign Corporation

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Removal of temporary regulations.

SUMMARY: This document removes temporary regulations under section 367(c) that are no longer necessary and, as a result, may be misleading.

DATES: Effective January 12, 2001.

FOR FURTHER INFORMATION CONTACT: Mark D. Harris at (202) 622-3860 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

On December 30, 1977, the IRS and Treasury published in the **Federal Register** proposed regulations (42 FR 65204) and temporary regulations (42 FR 65152 [T.D. 7530, 1978–1 C.B. 92]) under section 367(c) of the Internal Revenue Code. The principal purpose of these regulations, §§7.367(c)–1 and 7.367(c)–2, was to distinguish between the treatment of transfers described in section 367(c) before and after the enactment of the Tax Reform Act of 1976 (the Act) (90 Stat. 1634). Before enactment of the Act, transfers described in section 367(c) were

subject to a ruling requirement. After enactment of the Act, transfers described in section 367(c) were within the scope of §§7.367(b)–1 through 7.367(b)–12. In light of the substantial time that has passed since enactment of the Act and, moreover, in light of the fact that §§1.367(b)–1 through 1.367(b)–6 have substantially superceded §§7.367(b)–1 through 7.367(b)–12, §§7.367(c)–1 and 7.367(c)–2 are no longer necessary and may be misleading.

Accordingly, this document removes §§7.367(c)–1 and 7.367(c)–2.

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Removal of Temporary Regulations

Accordingly, under the authority of 26 U.S.C. 7805, 26 CFR part 7 is amended as follows:

PART 7—TEMPORARY INCOME TAX REGULATIONS UNDER THE TAX REFORM ACT OF 1976

Paragraph 1. The authority citation for part 7 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

§§7.367(c)–1 and 7.367(c)–2 [Amended]

Par. 2. Sections 7.367(c)–1 and 7.367(c)–2 are removed.

Robert E. Wenzel,
*Deputy Commissioner
of Internal Revenue.*

Approved December 28, 2000.

Jonathan Talisman,
*Acting Assistant Secretary
of the Treasury.*

(Filed by the Office of the Federal Register on January 11, 2001, 8:45 a.m., and published in the issue of the Federal Register for January 12, 2001, 66 FR. 2821)