



# TaxNewsFlash

## United States

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### **Regulations: Corporate inversions and transactions structured to avoid section 7874**

The U.S. Treasury Department and IRS late this afternoon released for publication in the Federal Register a package of regulations including final and temporary regulations (T.D. 9812) and by cross-reference proposed regulations (REG-135734-14) that address certain transactions that are structured to avoid the purposes of section 7874.

The regulations identify certain stock of a foreign corporation that is disregarded in calculating ownership of the foreign corporation for purposes of determining whether it is a surrogate foreign corporation, and provide guidance on the effect of transfers of stock of a foreign corporation after the foreign corporation has acquired substantially all of the properties of a domestic corporation or of a trade or business of a domestic partnership.

The purpose of this report is to provide text of these just-released regulations (scheduled to be published on January 18, 2017).

#### **Text of regulations**

- Read [T.D. 9812](#) [PDF 274 KB]
- Read [REG-135734-14](#) [PDF 204 KB]

Today's releases include a partial withdrawal of proposed regulations issued in April 2016. The withdrawn portions relate to exceptions to general rules addressing certain transactions that are structured to avoid the purposes of section 7874.

- Read the [withdrawal notice](#) [PDF 168 KB]

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