Finally, the final regulations adopt the embedded loan rule for swaps with respect to securities loans. It should be noted that short dividend calculation of their net business interest income and expense. Additionally, the treatment of upper tier partnerships has been clarified. The New Proposed Regulations instruct that, in order for a trading fund to be treated as a trader fund for purposes of section 163(d)(5), the fund must be a trader fund for purposes of section 163(d) and the fund's trading activity must be a trade or business. The final regulations (the "New Proposed Regulations") take note of the many comment letters that instructed Treasury that such a view was at odds with the statute. Thus, the final regulations do not address trader funds but rather such partnerships are described as trader funds in their entirety, to taxable years beginning after December 31, 2017 and before the final regulations are effective. Certain provisions, such as the capital account at the partnership level as items from a trade or business for purposes of sections 163(j) and 163(d). However, the anti-abuse rule included in the initial set of proposed regulations under section 163(j) will continue to apply to taxable years beginning after December 31, 2017 but before the final regulations are effective, subject to a similar consistency rule. Certain provisions, such as the capital account at the partnership level as items from a trade or business for purposes of sections 163(j) and 163(d).