



# TaxNewsFlash

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## Notice 2024-43: Further deferral of provisions under section 59A and 6038A regulations relating to reporting of qualified derivative payments

The IRS today released [Notice 2024-43](#) announcing that the Treasury Department and IRS intend to amend the regulations under sections 59A and 6038A to further defer the applicability date of certain provisions relating to the reporting of qualified derivative payments (QDPs) until tax years beginning on or after January 1, 2027.

### Background

Final regulations (T.D. 9885) addressing the base erosion and anti-abuse tax (BEAT) under section 59A were published in December 2019. Those final regulations generally apply to tax years ending on or after December 17, 2018. Read [TaxNewsFlash](#)

The 2019 final regulations included rules under sections 59A and 6038A about the reporting of QDPs that are not base erosion payments. A payment does not qualify as a QDP unless the taxpayer reports the information required in Treas. Reg. § 1.6038A-2(b)(7)(ix) for the tax year, and a taxpayer subject to the BEAT must report on Form 8991 the aggregate amount of QDPs for the tax year and make a representation that all payments satisfy the requirements of Treas. Reg. § 1.59A-6(b)(2).

If a taxpayer fails to satisfy these reporting requirements with respect to any payments, Treas. Reg. § 1.59A-6(b)(2)(ii) (the reporting failure exclusion) provides that the payments are not eligible for the QDP exception and are base erosion payments unless another exception applies.

Treas. Reg. § 1.6038A-2(b)(7)(ix) applies to tax years beginning on or after June 7, 2021, and before Treas. Reg. § 1.6038A-2(b)(7)(ix) is applicable, a taxpayer is treated as satisfying the QDP reporting requirements to the extent that the taxpayer reports the aggregate amount of QDPs on Form 8991, Schedule A, provided that the taxpayer reports this amount in good faith.

In Notice 2021-36, the Treasury Department and IRS extended that transition period through tax years beginning before January 1, 2023, while the Treasury Department and IRS continued to study the interaction of the QDP exception, the BEAT netting rule in Treas. Reg. § 1.59A-2(e)(3)(vi), and the QDP reporting requirements in Treas. Reg. §§ 1.59A-6 and 1.6038A-2(b)(7)(ix). Read [TaxNewsFlash](#)

In Notice 2022-30, the Treasury Department and IRS further extended that transition period through tax years beginning on or after January 1, 2025. Read [TaxNewsFlash](#)

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