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Date:
July 28, 2023

X	=
Y	=
Country	=
Province	=
Manager	=
Entity	=
General Partner 1	=
General Partner 2	=
General Partner 1 Investors	=
General Partner 2 Investors	=

Dear :

This is in response to your letter, dated X, as supplemented by additional information statements, requesting that the Entity (1) is not classified as a corporation pursuant to Treas. Reg. § 301.7701-2(b)(6), and (2) is not classified as a corporation pursuant to Treas. Reg. § 301.7701-2(b)(7) by reason of section 892(a)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

FACTS

General Partner 1 and General Partner 2 represent that the facts are as follows:

The Entity is a general partnership organized on date Y pursuant to the laws of the Province in the Country.[1] The Entity has one or more members without limited liability pursuant to the Province's law and the Entity's operating agreement. The Entity will serve as an investment vehicle to hold the invested assets of General Partner 1 and General Partner 2 (together, the "General Partners"). The Entity has not yet made any investments. The Entity's income or loss will be divided between the General Partners in proportion to their respective interests in the partnership capital.

The Entity is an unincorporated organization formed to enable the General Partners to join together to carry on investment activities and to divide the profits and losses therefrom. The General Partners represent that the Entity does not constitute a governing authority and, therefore, does not constitute an integral part of the Province within the meaning of Treas. Reg. § 1.892-2T(a)(2).

Each of the General Partners is a corporation organized under Province law and is an association taxable as a corporation for U.S. federal tax purposes. The General Partners represent that each of them is a "controlled entity" of the Province within the meaning of Treas. Reg. § 1.892-2T(a)(3), and each will certify to the Entity on a Form W-8EXP, Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding and Reporting, indicating that it is classified as a "controlled entity" and not an "integral part" of the Province. In addition, the General Partners represent that General Partner 2 is a "qualified foreign pension fund" under section 897(l) and a "qualified holder" within the meaning of Treas. Reg. § 1.897(l)-1(e)(11) (together, a "QFPF").

General Partner 1 is beneficially owned by the General Partner 1 Investors, and General Partner 2 is beneficially owned by the General Partner 2 Investors (together, the "Investors"). The General Partners represent that each of the Investors is classified as a foreign government under Treas. Reg. § 1.892-2T(a) by reason of its relationship

[1] To provide the Investors, as defined herein, with legal certainty and economy of scale, the Manager has a strong commercial and administrative preference to use investment vehicles organized under Province law to hold the Investors' assets.

to the Province, and that each of the General Partner 2 Investors is also a QFPF. The Manager holds the legal title to the interests in the General Partners on behalf of the Investors.[2]

The Manager is an asset manager organized by the Province to invest funds on behalf of public sector clients, including the Investors, located in the Province. The Manager will make geographically disparate investments for the Investors that are managed from its headquarters in the Province. The General Partners represent that the Manager is classified as a foreign government under Treas. Reg. § 1.892-2T(a) by reason of its relationship to the Province. The Manager organized investment vehicles to hold the Investors' assets because the Investors commonly invest in large, complex infrastructure, private equity, and real estate transactions with complicated governance and financing arrangements. These investments historically included a significant allocation to U.S. real estate, infrastructure, and timber assets.

The Entity's investment program contemplates the purchase, holding, and disposition of stock in U.S. corporations that are classified as "United States real property holding corporations" described in section 897(c)(2) and as "controlled commercial entities" described in section 892(a)(2)(B) (a "controlled USRPHC"). If the Entity were classified as an association taxable as a corporation for U.S. federal tax purposes, no gain from a controlled USRPHC that otherwise would be subject to section 897 would be eligible for exemption under section 897(l). The Investors that are QFPFs are exempt from taxation imposed by the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"),[3] which exemption would not be available to such Investors if they pooled their interests with non-QFPF Investors in a vehicle classified as an association taxable as a corporation for U.S. federal tax purposes.[4] The QFPF Investors will be eligible for the exemption from FIRPTA, however, if they pool their interests with non-QFPF Investors in an entity classified as a partnership for U.S. federal tax purposes.[5]

LAW AND ANALYSIS

Issue 1 – Whether the Entity is a corporation pursuant to Treas. Reg. § 301.7701-2(b)(6).

Treas. Reg. § 301.7701-2(b)(6) provides that, for U.S. federal tax purposes, the term corporation means a business entity wholly owned by a U.S. state or any political

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[2] The Manager is the bare trustee and nominee on behalf of the Investors with respect to their interest in the General Partners. The arrangement is an administrative convenience intended to facilitate the Entity's management without the need to seek shareholder approval.

[3] Pub. L. No. 96-499, 94 Stat. 2599, 2682 (Dec. 5, 1980).

[4] See Treas. Reg. § 1.897(l)-1(e)(9).

[5] See Treas. Reg. § 1.897(l)-1(c)(3)(ii).

subdivision thereof, or a business entity wholly owned by a foreign government or any other entity described in Treas. Reg. § 1.892-2T.

Before the promulgation of Treas. Reg. § 301.7701-2(b)(6) in 1996, the Treasury Department and the IRS were concerned that organizations wholly owned by a U.S. state that were not integral parts of that U.S. state were claiming integral part status and thereby circumventing taxation of income not excluded by section 115.[6] Section 115(1) provides that gross income does not include income derived from the exercise of any essential governmental function and accruing to a U.S. state or any political subdivision thereof. To address that concern, Treas. Reg. § 301.7701-2(b)(6) requires an organization that is wholly owned by a U.S. state and that is not an integral part of that U.S. state to be recognized as an association taxable as a corporation for U.S. federal tax purposes. The income of such an organization is exempt from U.S. federal income tax only to the extent it can, pursuant to section 115, demonstrate that such income is derived from the exercise of any essential governmental function and accrues to a U.S. state or any political subdivision thereof.

Similar concerns about foreign governments taking advantage of the favorable treatment afforded to integral parts arose for purposes of section 892.[7] Treas. Reg. § 1.892-2T(a) defines the term foreign government to mean only the integral parts[8] or controlled entities[9] of a foreign sovereign. Both an integral part and a controlled entity of a foreign sovereign are eligible for the section 892 exemption. An integral part of a foreign sovereign, however, does not lose its ability to claim the exemption with respect to income not derived from commercial activities even if the integral part engages in commercial activities (within the meaning of Treas. Reg. § 1.892-4T).[10] In contrast, if a controlled entity of a foreign sovereign conducts (or is treated as conducting) commercial activities, it loses the exemption under section 892 with respect to all of its income, including any income not derived from commercial activities.[11] The exemption does not apply to income derived from the conduct of any commercial activity (whether

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[6] Simplification of Entity Classification Rules, 61 Fed. Reg. 21989, 21991 (May 13, 1996). See Treas. Reg. § 301.7701-1(a)(3), which provides that an organization wholly owned by a U.S. state is not recognized as a separate entity for U.S. federal tax purposes if it is an integral part of the U.S. state. Revenue Ruling 87-2, 1987-1 C.B. 18, provides that income earned by a U.S. state, a political subdivision of a U.S. state, or an integral part of a U.S. state or of a political subdivision of a U.S. state is generally not taxable in the absence of specific statutory authorization for taxing such income.

[7] T.D. 9012, 67 Fed. Reg. 49862, 49864 (Aug. 1, 2002). See Clarification of Entity Classification Rules, 66 Fed. Reg. 2854, 2856 (Jan. 12, 2001).

[8] See Treas. Reg. § 1.892-2T(a)(2).

[9] See Treas. Reg. § 1.892-2T(a)(3).

[10] See Treas. Reg. § 1.892-5T(d)(4), Example 1(a).

[11] See id., Example 1(c).

within or outside the United States), received by or received (directly or indirectly) from a controlled commercial entity (as defined in section 892(a)(2)(B), a "CCE"), or derived from the disposition of any interest in a CCE.[12]

Before Treas. Reg. § 301.7701-2(b)(6) was amended to include a business entity wholly owned by a foreign government, it was possible for an integral part of a foreign sovereign to form a disregarded entity for U.S. federal tax purposes and claim the exemption under section 892 with respect to income not derived from commercial activities, even if the disregarded entity was conducting commercial activities. The preamble to Prop. Treas. Reg. § 301.7701-2(b)(6) published in 2001,[13] which brought foreign government entities within scope, explains that:

> The IRS and Treasury believe that it is appropriate to treat a foreign government similarly to a [U.S.] State in this context. Thus, to achieve parallel tax treatment under the check-the-box regulations of a business entity wholly owned by a [U.S.] State or any of its political subdivisions and a business entity wholly owned by a foreign government, these proposed regulations provide that a business entity wholly owned by a foreign government cannot elect to be treated as a disregarded entity.[14]

When Treas. Reg. § 301.7701-2(b)(6) was amended in 2002 to include a business entity wholly owned by a foreign government, the "parallel tax treatment under the check-the-box regulations of a business entity wholly owned by a [U.S.] State or any of its political subdivisions and a business entity wholly owned by a foreign government" was accomplished by ensuring that a business entity wholly owned by a foreign government "cannot elect to be treated as a disregarded entity" for U.S. federal tax purposes.[15] Hence, the purpose of the modification was to ensure that a business entity whose sole owner is either an integral part or a controlled entity, and which otherwise would be treated as a disregarded entity, is a corporation (and thus subject to the CCE rules). The language of Treas. Reg. § 301.7701-2(b)(6) ("wholly owned by a foreign government or any other entity described in Treas. Reg. § 1.892-2T") may be read consistently with this intent, as the reference to "other entity described in § 1.892-2T" would be unnecessary unless the drafters considered it needed in order to include a controlled entity because they used the term "foreign government" to include only an integral part. Accordingly, the phrase "business entity wholly owned by a foreign government or any other entity described in § 1.892-2T" is properly construed as a business entity that is wholly owned directly by a single controlled entity or integral part and that thus does not have two or more owners.

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[12] See section 892(a)(2)(A).

[13] Clarification of Entity Classification Rules, 66 Fed. Reg. 2854, 2856 (Jan. 12, 2001).

[14] 66 Fed. Reg. at 2855.

[15] Id.

The Treasury Department and the IRS recognized that use of partnerships by foreign governments could present concerns similar to those presented by disregarded entities but chose to address those concerns differently. Rather than providing a special entity classification rule for partnerships similar to that provided by Treas. Reg. § 301.7701-2(b)(6) for disregarded entities, the Treasury Department and the IRS chose to address concerns presented by partnerships by treating them as potentially CCEs, in a separate rule that was promulgated in 2002 together with Treas. Reg. § 301.7701-2(b)(6).[16] Treas. Reg. § 1.892-5(a)(3) provides that, for purposes of section 892(a)(2)(B) (defining a CCE), the term "entity" means and includes a corporation, a partnership, a trust (including a pension trust described in Treas. Reg. § 1.892-2T(c)) and an estate. Before this regulation was finalized in T.D. 9012 on August 1, 2002, the term "entity" did not include a partnership.[17] Thus, concerns about foreign governments using partnerships to circumvent limitations within section 892 were addressed by adding "partnerships" to the types of entities that could be a CCE, which are not eligible for the exemption under section 892,[18] rather than (as in the case of disregarded entities) classifying them as corporations. As a result, classifying a partnership as a corporation pursuant to contemporaneously issued Treas. Reg. § 301.7701-2(b)(6) was unnecessary to protect the purposes of section 892.

Each of the General Partners is an association taxable as a corporation for U.S. federal tax purposes and each will certify to the Entity on a Form W-8EXP, Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding and Reporting, indicating that it is classified as a "controlled entity" and not an "integral part" of the Province for purposes of section 892. Thus, the Entity has at least two owners (such that it could not be potentially classified as a disregarded entity for U.S.

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[16] T.D. 9012, 67 Fed. Reg. 49862, 49864 (Aug. 1, 2002).

[17] See T.D. 8211, 53 Fed. Reg. 24060, 24064 (June 27, 1988). The flush text under former Treas. Reg. § 1.892-5T(a) stated: "For purposes of this paragraph, the term 'entity' encompasses corporations and trusts (including pension trusts described in § 1.892-2T(c)) and estates." We note that Prop. Treas. Reg. § 1.892-5(a)(1), however, states: "For purposes of section 892 and the regulations thereunder, the term entity means and includes a corporation, a partnership, a trust (including a pension trust described in § 1.892-2T(c)), and an estate, and the term controlled commercial entity means any entity (including a controlled entity as defined in § 1.892-2T(a)(3)) engaged in commercial activities (as defined in §§ 1.892-4 and 1.892-4T) (whether conducted within or outside the United States) . . ." 76 Fed. Reg. 68119, 68122 (Nov. 3, 2011). The purpose for which the term "entity" is defined in this proposed regulation appears to be broader than is set forth in the temporary and final regulations, but the position of the sentence within the CCE rules suggests that it was intended to apply solely for CCE purposes.

[18] See Clarification of Entity Classification Rules, 66 Fed. Reg. 2854, 2855 (Jan. 12, 2001) ("To ensure that investments in the United States by a foreign government through separate juridical entities are treated similarly, these proposed regulations under § 1.892-5(a) provide that, for purposes of section 892(a)(2)(B), the term entity also includes a partnership."). This rule was finalized in T.D. 9012, 67 Fed. Reg. 49862, 49864 (Aug. 1, 2002). If the Entity were to conduct (or be treated as conducting) commercial activities within the meaning of Treas. Reg. §§ 1.892-4T or 1.892-5T, it could be a CCE.

federal tax purposes) and hence should not be considered "wholly owned" within the meaning of Treas. Reg. § 301.7701-2(b)(6).

Issue 2 – Whether the Entity is a corporation pursuant to Treas. Reg. § 301.7701-2(b)(7) by reason of section 892(a)(3).

Treas. Reg. § 301.7701-2(b)(7) provides that, for U.S. federal tax purposes, the term corporation means a business entity that is taxable as a corporation under a provision of the Code other than section 7701(a)(3). Section 892(a)(3) provides that, for purposes of the Code, a foreign government shall be treated as a corporate resident of its country.[19] The provision also provides that a foreign government shall be so treated for purposes of any income tax treaty obligation of the United States if such government grants equivalent treatment to the Government of the United States.

The phrase "corporate resident" is not used elsewhere in the Code, but Treasury regulations have interpreted it to mean that a foreign government is treated as a foreign corporation.[20] As a corporate controlled entity generally already would enjoy treaty protection (and a partnership as a general rule would not qualify as a treaty resident because it is not liable for tax), the purpose of section 892(a)(3) appears to be to clarify the treatment of an integral part.

Under Treas. Reg. § 1.892-2T(a)(1), a foreign government "means only the integral parts or controlled entities of a foreign sovereign." While the word "only" conveys a limiting meaning, the sentence suggests that each controlled entity is considered the foreign government for purposes of section 892, in which case each controlled entity might be considered a corporate resident of its jurisdiction by reason of section 892(a)(3). However, there is no evidence that Congress, in enacting section 892(a)(3), intended that the entity classification of a controlled entity not otherwise classified as a corporation be changed to a corporation. To the contrary, such a construction of section 892(a)(3) would be inconsistent with the section 892(a)(3) treatment of a foreign government as a treaty resident, as noted above. Thus, the term "foreign government" in section 892(a)(3) may have been intended to be read as referring only to integral parts and not to controlled entities.

If that were not the case, and the term "foreign government" in section 892(a)(3) were read as including not only integral parts but also controlled entities, the issue would arise whether a partnership is included within the term "controlled entity" such that section 892(a)(3) would reclassify the partnership on that basis.

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[19] Technical and Miscellaneous Revenue Act of 1988, Pub. L. No. 100-647, §§ 1012(t), 1019(a), 102 Stat. 3342 (Nov. 10, 1988); Pub. L. No. 99-514, 100 Stat. 2085 (Oct. 22, 1986).

[20] See, e.g., Treas. Reg. §§ 1.884-0(a), 1.1446-1(c)(1), and 1.1446-1(c)(2)(ii)(G). These Treasury regulations, however, do not distinguish between controlled entities and integral parts.

Treas. Reg. § 1.892-2T(a)(3) defines the term "controlled entity" as an "entity" that meets certain conditions, including that it directly or indirectly be wholly owned and controlled, but does not include a definition of the term "entity" for its purposes. Generally, the term "entity" for U.S. federal income tax purposes does include a partnership.[21] Nevertheless, it is possible that the term has a narrower meaning in a certain context. We also note that, whether a partnership is treated as an entity (or, instead as an aggregate of its partners) for purposes of a particular provision of the Code depends on which treatment is most appropriate to carry out the purposes of that provision.[22]

With the exception of Treas. Reg. § 1.892-5(a)(3) (discussed below, defining a CCE), partnerships generally have been treated as aggregates rather than separate entities for purposes of section 892.[23] Such aggregate treatment of partnerships was evident beginning with the promulgation of the 1988 temporary regulations interpreting section 892. For example, the definition of the term "entity" for purposes of section 892(a)(2)(B) did not include partnerships until 2002.[24] A second example demonstrating the aggregate treatment of partnerships for purposes of section 892 are the rules attributing commercial activities, which treat "subsidiary controlled entities" differently than partnerships. Treas. Reg. § 1.892-5T(d)(2)(i) provides that commercial activities of a subsidiary controlled entity are not attributed to its parent, whereas Treas. Reg. § 1.892-5T(d)(3) provides that commercial activities of a partnership are attributable to its general and limited partners for purposes of section 892.[25]

Aggregate rather than entity treatment of partnerships for purposes of Treas. Reg. § 1.892-2T(a)(3) – as for other purposes of section 892 where entity treatment of partnerships is not expressly provided – is consistent with the purpose and history of the concept of "controlled entity." That concept was developed to address uncertainty as to

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[21] For example, the term "business entity" for entity classification purposes is generally defined in terms of an "entity" that is recognized for U.S. federal income tax purposes. Treas. Reg. § 301.7701-2(a). Numerous Code and regulatory provisions use the term "entity" as including partnerships.

[22] See H.R. CONF. REP. NO. 2543, 83rd Cong., 2d Sess. at 59 (1954); Holiday Village Shopping Center v. United States, 5 Cl. Ct. 566, 570 (1984), aff'd 773 F.2d 276 (Fed. Cir. 1985) (for purposes of section 1250); Casel v. Comm'r, 79 T.C. 424, 432–33 (1982) (for purposes of section 267).

[23] See, e.g., Treas. Reg. § 1.892-5T(d)(3) (attributing commercial activities of a partnership to its general and limited partners for purposes of section 892 but excepting therefrom partners of publicly traded partnerships). Exceptions to the general rule treating partnerships as aggregates are provided where the foreign government's relationship to the activities of the partnership supports treating the partnership as an entity. See, e.g., Prop. Treas. Reg. § 1.892-5(d)(5)(iii).

[24] T.D. 9012, 67 Fed. Reg. 49862, 49864 (Aug. 1, 2002).

[25] But see Income of Foreign Governments and International Organizations, 76 Fed. Reg. 68119, 68121 (Nov. 3, 2011) (proposed regulations providing that an entity that is not otherwise engaged in commercial activities will not be treated as engaged in commercial activities solely because it holds an interest as a limited partner in a limited partnership).

whether the section 892 exemption was available to entities separate from a foreign sovereign that would, but for the exemption, have been subject to U.S. tax on their income. The statutory language of section 892 generally exempts from U.S. tax certain income of foreign governments and does not expressly exempt any income of separate entities. Thus, the issue arose as to whether corporations owned by a foreign sovereign could claim exemption from U.S. tax on their income. This issue generally did not arise for partnerships owned by foreign sovereigns, because partnerships, unlike corporations, generally are not subject to U.S. tax on their income.[26] Thus, partnerships did not present the issue that the concept of a "controlled entity" was intended to address: whether an entity that otherwise would have been subject to U.S. tax on its investment income could rely on the section 892 exemption.

Accordingly, the guidance issued by the IRS before the concept of "controlled entity" was introduced by Treasury regulations interpreting section 892 involved entities treated as corporations; that guidance considered whether a corporation wholly owned by a foreign government could qualify for the exemption under section 892.[27] The IRS issued Revenue Ruling 75-298 in the context of considering whether corporations wholly owned by a foreign government were exempt under section 892.[28] When the concept of a "controlled entity" for purposes of section 892 was introduced by proposed Treasury regulations in 1978, the preamble thereto stated that "[i]n most respects, the requirements relating to controlled entities parallel the requirements of Rev. Rul. 75-298, relating to certain organizations created by foreign governments that are eligible for the section 892 exemption."[29]

The addition of partnerships to the regulatory definition of the term "entity" for purposes of a CCE under section 892(a)(2)(B) was a limited departure from the treatment of partnerships as aggregates for purposes of section 892 and does not dictate the meaning of the term "entity" in the phrase "controlled entity." The change applied to a different and broader class of partnerships through which foreign governments invested and was not limited to controlled entities as defined in Treas. Reg. § 1.892-2T(a)(3).

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[26] See section 701, which was enacted in 1954 and states that "[a] partnership as such shall not be subject to the income tax imposed by this chapter." Section 701 refers to "this chapter" (chapter 1) while section 892(a)(1) states that certain income of foreign governments is exempt "under this subtitle." However, the taxes for which section 892 provides an exemption (section 892(a)(1)) are in fact described in chapter 1 of the subtitle.

[27] See, e.g., S. REP. NO. 163, 87th Cong., 1st Sess. (1961), 1961-2 C.B. 351, 352-53 (describing the IRS's positions with respect to a corporation wholly owned by a foreign government).

[28] Rev. Rul. 75-298, 1975-2 C.B. 290, revoking Rev. Rul. 66-73, 1966-1 C.B. 174 (examining whether an organization constitutes a corporation for purposes of section 892).

[29] Income of Foreign Governments, 43 Fed. Reg. 36111, 36112 (Aug. 15, 1978). The definition of a "controlled entity" in the 1978 proposed regulations substantially mirrors that of the 1988 temporary regulations. Compare Treas. Reg. § 1.892-2T(a)(3) (not requiring, for example, that the organization not engage in the United States in commercial activities on more than a de minimis basis).

Specifically, a CCE includes any entity at least 50 percent owned by a foreign government, while only an entity that is 100 percent owned by a foreign sovereign can be a controlled entity. For purposes of section 892(a)(2)(B) only, Treas. Reg. § 1.892-5(a)(3) reflects the decision that treatment of a partnership as an entity is most appropriate for that provision.

In reaching the conclusion that partnerships were not within the intended scope of "controlled entity," it is necessary to consider the reference to "partnerships" in the flush text under the definition of a "controlled entity" in Treas. Reg. § 1.892-2T(a)(3), which states: "[a] controlled entity does not include partnerships or any other entity owned and controlled by more than one foreign sovereign." Before the 1988 temporary regulations, such flush text stated only that a controlled entity "does not include any entity wholly owned and controlled by more than one foreign sovereign."[30] The 1988 temporary regulations revised this flush text to state that a controlled entity "does not include partnerships or any other entity wholly owned and controlled by more than one foreign sovereign." This reference to partnerships might be interpreted as referring only to partnerships owned by more than one foreign sovereign. In light of the analysis above that relies on the historic aggregate treatment of partnerships for purposes of section 892 and the history and purpose of the concept of "controlled entity" to construe section 892(a)(3) and interpret the regulations, however, this flush text should not be read to imply that a partnership wholly owned and controlled by a single foreign sovereign (indirectly through multiple controlled entities) is itself a "controlled entity."

The General Partners represent that the Entity is an unincorporated organization formed to enable the General Partners to join together to carry on investment activities and to divide the profits and losses therefrom. The General Partners also represent that the Entity does not constitute a governing authority and, therefore, does not constitute an integral part of the Province within the meaning of Treas. Reg. § 1.892-2T(a)(2). Each of the General Partners is an association taxable as a corporation for U.S. federal tax purposes and each will certify to the Entity on a Form W-8EXP, Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding and Reporting, indicating that it is classified as a "controlled entity" and not an "integral part" of the Province for purposes of section 892.

RULING

Based solely on the information submitted and the representations made, the Entity is not classified as a corporation pursuant to Treas. Reg. § 301.7701-2(b)(6) or pursuant to Treas. Reg. § 301.7701-2(b)(7) by reason of section 892(a)(3).

CAVEATS

[30] See T.D. 7707, 45 Fed. Reg. 48882, 48883 (July 22, 1980) (reciting then-Treas. Reg. § 1.892-1(b)(3)).

The ruling contained in this letter is based upon information and representations submitted by the Entity, the General Partners, and the Manager, and accompanied by a penalty of perjury statement executed by an appropriate party. This office has not verified any of the material submitted in support of the ruling request, and it is subject to verification on examination.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. Furthermore, except as expressly provided in the ruling, no opinion is expressed or implied concerning the entity classification for U.S. federal tax purposes of any entity or party discussed herein. No opinion is expressed or implied concerning whether the Entity is treated as an integral part under Treas. Reg. § 1.892-2T(a)(2) or whether the General Partners, the Investors, or the Manager are treated as integral parts or controlled entities under Treas. Reg. § 1.892-2T(a) or controlled commercial entities under section 892(a)(2)(B), or whether any such entities satisfy the definitions under section 897(l) and Treas. Reg. § 1.897(l)-1(e)(11). No opinion is expressed or implied concerning whether any income received by any party qualifies for exemption from U.S. federal income tax under section 892 or section 897, or whether any party conducted commercial activities within the meaning of Treas. Reg. § 1.892-4T.

This letter ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) provides that this letter ruling may not be used or cited as precedent. This letter ruling will be modified or revoked by the adoption of temporary or final regulations to the extent the regulations are inconsistent with any conclusion in the letter ruling. See Section 11 of Rev. Proc. 2023-1. If the taxpayer can demonstrate that the criteria in Section 11 of Rev. Proc. 2023-1 are satisfied, a letter ruling is not revoked or modified retroactively except in rare or unusual circumstances.

A copy of this letter must be attached to any income tax return to which it is relevant.

In accordance with the power of attorney on file with this office, a copy of this letter is being sent to your authorized representatives.

Sincerely,

_____

Joel S. Deuth
Senior Counsel, Branch 5
Office of the Associate Chief Counsel
(International)

cc: