

Internal Revenue Service

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Person To Contact:

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Date:

March 2, 2007

Taxpayer =

Entity 1 =

Entity 2 =

Entity 3 =

Entity 4 =

Entity 5 =

Entity 6 =

Entity 7 =

Entity 8 =

Entity 9 =

Entity 10 =

Entity 11 =

Entity 12 =

Entity 13 =

Entity 14 =

Entity 15 =

Entity 16 =

Entity 17 =

Year 1 =

Year 2 =

Year 3 =

Year 4 =

Year 5 =

Year 6 =

Country A =

CPA Firm 1 =

CPA Firm 2 =

Dear :

This is in response to a letter dated December 15, 2006, from your authorized representative requesting an extension of time under Treas. Reg. § 301.9100-3 for Taxpayer to file: (1) elections and agreements under Treas. Reg. § 1.1503-2(g)(2)(i) or Treas. Reg. § 1.1503-2T(g)(2)(i), as applicable, and (2) annual certifications under Treas. Reg. § 1.1503-2(g)(2)(vi)(B) or Treas. Reg. § 1.1503-2T(g)(2)(vi)(B), as applicable, with respect to dual consolidated losses (as defined in Treas. Reg. § 1.1503-2(c)(5)) attributable to the entities described below. Additional information was submitted in a letter dated February 8, 2007. The information submitted for consideration is substantially as set forth below.

The ruling contained in this letter is predicated upon facts and representations submitted by Taxpayer 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 request for a ruling. Verification of the factual information, representations, and other data may be required as a part of the audit process.

Entity 1 is disregarded as an entity separate from its owner. The interest in Entity 1 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 1 has activities in its country of incorporation that constitute a foreign branch ("Entity 1 Branch") within the meaning of Treas. Reg. § 1.367(a)-6T(g). Entity 1 Branch is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses were attributable to Entity 1 Branch in Years 1 through 6. No dual consolidated losses were attributable to the interest in Entity 1.

Entity 2 is disregarded as an entity separate from its owner. The interest in Entity 2 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 2 has activities in its country of incorporation that constitute a foreign branch ("Entity 2 Branch") within the meaning of Treas. Reg. § 1.367(a)-6T(g). Entity 2 Branch is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses were attributable to Entity 2 Branch in Years 1 and 5. No dual consolidated losses were attributable to the interest in Entity 2.

Entity 3 is a foreign branch (within the meaning of Treas. Reg. § 1.367(a)-6T(g)) of a domestic subsidiary that is indirectly owned by Taxpayer, and is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses were incurred by Entity 3 in Years 1, 2, 5, and 6.

Entity 4 is a foreign branch (within the meaning of Treas. Reg. § 1.367(a)-6T(g)) of a domestic subsidiary that is indirectly owned by Taxpayer, and is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses were incurred by Entity 4 in Years 2 and 6.

Entity 5 is a foreign branch (within the meaning of Treas. Reg. § 1.367(a)-6T(g)) of a domestic subsidiary that is indirectly owned by Taxpayer, and is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses were incurred by Entity 5 in Year 3.

Entity 6 is a foreign branch (within the meaning of Treas. Reg. § 1.367(a)-6T(g)) of a domestic subsidiary that is indirectly owned by Taxpayer, and is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses were incurred by Entity 6 in Year 3.

Entity 7 is a foreign branch (within the meaning of Treas. Reg. § 1.367(a)-6T(g)) of a domestic subsidiary that is indirectly owned by Taxpayer, and is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses were incurred by Entity 7 in Year 4.

Entity 8 is disregarded as an entity separate from its owner. The interest in Entity 8 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 8 has activities in its country of incorporation that constitute a foreign branch (“Entity 8 Branch”) within the meaning of Treas. Reg. § 1.367(a)-6T(g). Entity 8 Branch is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses were attributable to Entity 8 Branch in Year 4. No dual consolidated losses were attributable to the interest in Entity 8.

Entity 9 is disregarded as an entity separate from its owner. The interest in Entity 9 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 9 has activities in its country of incorporation that constitute a foreign branch (“Entity 9 Branch”) within the meaning of Treas. Reg. § 1.367(a)-6T(g). Entity 9 Branch is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses were attributable to Entity 9 Branch in Year 5. No dual consolidated losses were attributable to the interest in Entity 9.

Entity 10 is disregarded as an entity separate from its owner. The interest in Entity 10 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 10 has activities in its country of incorporation that constitute a foreign branch (“Entity 10 Branch”) within the meaning of Treas. Reg. § 1.367(a)-6T(g). Entity 10 Branch is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses were attributable to Entity 10 Branch in Year 5. No dual consolidated losses were attributable to the interest in Entity 10.

Entity 11 is a foreign branch (within the meaning of Treas. Reg. § 1.367(a)-6T(g)) of a domestic subsidiary that is indirectly owned by Taxpayer, and is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A) located in a foreign country. Dual consolidated losses were incurred by Entity 11 in Year 5.

Entity 12 is disregarded as an entity separate from its owner. The interest in Entity 12 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 12 has activities in its country of incorporation that constitute a foreign branch (“Entity 12 Branch”) within the meaning of Treas. Reg. § 1.367(a)-6T(g). Entity 12 Branch is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses were attributable to Entity 12 Branch in Year 6. No dual consolidated losses were attributable to the interest in Entity 12.

Entity 13 is disregarded as an entity separate from its owner. The interest in Entity 13 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 13 has activities in its country of incorporation that constitute a foreign branch (“Entity 13 Branch”) within the meaning of Treas. Reg. § 1.367(a)-6T(g). Entity 13 Branch is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses were attributable to Entity 13 Branch in Year 6. No dual consolidated losses were attributable to the interest in Entity 13.

Entity 14 is disregarded as an entity separate from its owner. The interest in Entity 14 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 14 has activities in its country of incorporation that constitute a foreign branch (“Entity 14 Branch”) within the meaning of Treas. Reg. § 1.367(a)-6T(g). Entity 14 Branch is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses were attributable to Entity 14 Branch in Year 6. No dual consolidated losses were attributable to the interest in Entity 14.

Entity 15 is disregarded as an entity separate from its owner. The interest in Entity 15 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 15 has activities in its country of incorporation that constitute a foreign branch (“Entity 15 Branch”) within the meaning of Treas. Reg. § 1.367(a)-6T(g). Entity 15 Branch is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses were attributable to Entity 15 Branch in Year 6. No dual consolidated losses were attributable to the interest in Entity 15.

Entity 16 is disregarded as an entity separate from its owner. The interest in Entity 16 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 16 has activities in its country of incorporation that constitute a foreign branch (“Entity 16 Branch”) within the meaning of Treas. Reg. § 1.367(a)-6T(g). Entity 16 Branch is a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses were attributable to Entity 16 Branch in Year 6. No dual consolidated losses were attributable to the interest in Entity 16.

Entity 17 is disregarded as an entity separate from its owner. The interest in Entity 17 is a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). Entity 17 has activities in its country of incorporation that constitute a foreign branch (“Entity 17 Branch”) within the meaning of Treas. Reg. § 1.367(a)-6T(g). Entity 17 Branch is a

separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). Dual consolidated losses were attributable to Entity 17 Branch in Year 6. No dual consolidated losses were attributable to the interest in Entity 17.

Taxpayer's tax department prepared Taxpayer's returns for the years in question. Taxpayer engaged CPA Firm 1 and CPA Firm 2 to review its returns for the years in question. Neither CPA Firm 1 nor CPA Firm 2 advised taxpayer to file the necessary elections and agreements under Treas. Reg. § 1.1503-2(g)(2)(i) or Treas. Reg. § 1.1503-2T(g)(2)(i) with respect to the dual consolidated losses incurred in the years in question.

Taxpayer represents that it filed this application for relief before the Internal Revenue Service discovered the failure to file the necessary elections and agreements under Treas. Reg. § 1.1503-2(g)(2)(i) or Treas. Reg. § 1.1503-2T(g)(2)(i), as applicable, with respect to the dual consolidated losses incurred in the years in question. Treas. Reg. § 301.9100-3(b)(1)(i).

Taxpayer represents that the income tax laws of Country A do not deny the use of losses, expenses, or deductions of Entity 4 to offset income of another person because the dual resident corporation or separate unit is also subject to income taxation by another country on its worldwide income or on a residence basis.

Treas. Reg. § 301.9100-1(c) provides that the Commissioner has discretion to grant a taxpayer a reasonable extension of time, under the rules set forth in Treas. Reg. § 301.9100-3, to make a regulatory election under all subtitles of the Internal Revenue Code, except subtitles E, G, H, and I.

Treas. Reg. § 301.9100-1(b) provides that an election includes an application for relief in respect of tax, and defines a regulatory election as an election whose due date is prescribed by a regulation, revenue ruling, revenue procedure, notice, or announcement.

Treas. Reg. § 301.9100-3(a) provides that requests for relief subject to this section will be granted when the taxpayer provides the evidence (including affidavits described in Treas. Reg. § 301.9100-3(e)) to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and the grant of relief will not prejudice the interests of the Government.

In the present situation, the filings described in Treas. Reg. § 1.1503-2(g)(2) and Treas. Reg. § 1.1503-2T(g)(2) are regulatory elections as defined in Treas. Reg. § 301.9100-1(b). Therefore, the Commissioner has discretionary authority under Treas. Reg. § 301.9100-1(c) to grant Taxpayer an extension of time, provided that Taxpayer satisfies the rules set forth in Treas. Reg. § 301.9100-3(a).

Based on the facts and information submitted, we conclude that Taxpayer satisfies Treas. Reg. § 301.9100-3(a). Accordingly, Taxpayer is granted an extension of time of 60 days from the date of this ruling letter to file the elections and agreements under Treas. Reg. § 1.1503-2(g)(2)(i) or Treas. Reg. § 1.1503-2T(g)(2)(i), as applicable, for the dual consolidated losses incurred in some or all of Years 1 through 6 as set forth above by Entity 1 Branch, Entity 2 Branch, Entities 3 through 7, Entity 8 Branch, Entity 9 Branch, Entity 10 Branch, Entity 11, Entity 12 Branch, Entity 13 Branch, Entity 14 Branch, Entity 15 Branch, Entity 16 Branch, and Entity 17 Branch.

Taxpayer is not required to file annual certifications with respect to these dual consolidated losses because these branches are separate units described in Treas. Reg. § 1.1503-2(c)(3)(i)(A) and, therefore, an extension of time is not necessary in this regard. Treas. Reg. § 1.1503-2(g)(2)(vi)(C).

The granting of an extension of time is not a determination that Taxpayer is otherwise eligible to file the election agreement. Treas. Reg. § 301.9100-1(a). For example, a taxpayer that is subject to mirror legislation enacted by a foreign country may be ineligible to file election agreements pursuant to Treas. Reg. § 1.1503-2(c)(15)(iv).

A copy of this ruling letter should be associated with the elections that are the subject of this ruling.

This ruling is directed only to the taxpayer who requested it. I.R.C. § 6110(k)(3) provides that it may not be used or cited as precedent. No ruling has been requested, and none is expressed, as to the application of any other section of the Code or regulations to the facts presented.

Pursuant to a power of attorney on file in this office, a copy of this ruling letter is being furnished to Taxpayer's authorized representative.

Sincerely,

Associate Chief Counsel (International)

By: _____
Richard L. Chewning
Senior Counsel
Office of the Associate Chief Counsel (International)

Enclosure:
Copy for 6110 purposes