

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:FIP:B2
PLR-131874-16
Date:
January 18, 2017

Legend

Fund =

Dear :

This letter revokes a part of PLR 200939017 (PLR-146785-08) issued to Fund on June 4, 2009, and, in response to a request from your authorized representative dated November 3, 2016, limits the retroactive effect of such revocation pursuant to section 7805(b) of the Internal Revenue Code.

In PLR 200939017, the Internal Revenue Service (the "Service") issued rulings that (i) income and gain from certain commodity-linked notes constitute qualifying income under section 851(b)(2) (the "CLN Ruling"), and (ii) subpart F income of the Subsidiaries attributable to the Fund is other income derived from the Fund's businesses of investing in stock, securities, or currencies and, therefore, constitutes qualifying income under section 851(b)(2) (the "Subpart F Ruling"). In a letter dated September 29, 2016, the Service notified the Fund that it was considering revoking the CLN Ruling. On November 3, 2016, the Fund requested that the Service exercise its discretionary authority under section 7805(b) to limit the retroactive effect of any revocation.

Since issuing PLR 200939017, the Service has determined that having provided a private letter ruling on the issue in the CLN Ruling is not in accord with the current views of the Service. See Rev. Proc. 2016-50, 2016-43 I.R.B. 522, superseded by Rev. Proc. 2017-3, 2017-1 I.R.B.130, 140 (section 4.01(44)); see also REG-123600-16, 81 Fed. Reg. 66576-77 (Sept. 28, 2016). Section 11.04 of Rev. Proc. 2017-1, 2017-1 I.R.B. 1,

61, provides, in part, that unless it was part of a closing agreement, a letter ruling found to be in error or not in accordance with the current views of the Service may be revoked or modified. Accordingly, the CLN Ruling in PLR 200939017 is revoked. The Subpart F Ruling is not revoked and that portion of PLR 200939017 remains in effect at this time.

Section 11.04 of Rev. Proc. 2017-1 also provides that, if a letter ruling is revoked, the revocation applies to all years open under the statute of limitations on assessment unless the Service uses its discretionary authority under section 7805(b) to limit the retroactive effect of the revocation. In accordance with the Fund's request, the Service has decided to grant relief under section 7805(b). The revocation of the CLN Ruling in PLR 200939017 will apply prospectively only to commodity-linked notes acquired by the Fund after June 30, 2017.

We are sending a copy of this letter to the appropriate operating division.

Sincerely,

Jason G. Kurth
Assistant to the Branch Chief, Branch 1
Office of Associate Chief Counsel
(Financial Institutions and Products)

cc: