

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Legend

Fund 1 =

Fund 2 =

Dear :

This letter revokes a part of PLR 201037012 (PLR-109536-10¹) issued to Funds 1 and 2 (the "Funds") on June 4, 2010.

In PLR 201037012, 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 Funds is other income derived from the Funds' business 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 Funds that it was considering revoking the CLN Ruling.

¹ PLR-109536-10 is the controlling PLR number for a multi-filer private letter ruling. Each of Funds 1 and 2 were assigned a separate PLR number. This letter refers to the controlling PLR number, but applies equally to the rulings issued to both of the Funds under their respective, separately assigned PLR numbers.

Since issuing PLR 201037012, 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 Proc. 2016-50, 2016-43 I.R.B. 522, superseded by Rev.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 201037012 is revoked. The Subpart F Ruling is not revoked and that portion of PLR 201037012 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. On January 9, 2017, the Funds' authorized representative informed the Service that Funds would not request relief under section 7805(b) at this time. Therefore, the revocation of the CLN Ruling in PLR 201037012 applies retroactively to all years open under the statute of limitations on assessment as of the date of this letter and to all future years.

In accordance with the power of attorney on file with this office, we are sending a copy of this letter to the Funds' authorized representative. We are also sending a copy of this letter to the appropriate operating division.

Sincerely,

Andrea M. Hoffenson
Branch Chief, Branch 2
Office of Associate Chief Counsel
(Financial Institutions and Products)

cc: