



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF
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INTERNAL REVENUE SERVICE NATIONAL OFFICE FIELD SERVICE ADVICE

MEMORANDUM FOR

FROM:

SUBJECT:

This Field Service Advice responds to your memorandum dated January 4, 1999. Field Service Advice is not binding on Examination or Appeals and is not a final case determination. This document is not to be used or cited as precedent.

LEGEND:

Taxpayer =
FC1 =
FC2 =
FC3 =

Country A =
Country B =
Country C =

r =
s =
t =
u =
v =
w =
x =

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y =
z =

date 1 =
date 2 =
date 3 =
date 4 =

ISSUES:

(1) Is the withholding of tax under § 1442 of the Internal Revenue Code required with respect to a deemed or constructive payment of interest when Taxpayer's accrued but unpaid interest on indebtedness to Taxpayer's foreign corporate shareholder was converted to additional paid-in capital?

(2) Is the withholding of tax under § 1442 required with respect to any deemed payment(s) on the Demand Note or the Interest Bearing Note that result from an allocation of interest under § 482 from Taxpayer to its foreign corporate shareholder?

(3) Is withholding of tax under § 1442 required with respect to the Demand Note note for payments of principal on the Demand Note which are in fact payments on an original issue discount ("OID") obligation.

CONCLUSIONS:

(1) There was a constructive payment of accrued but unpaid interest subject to withholding under § 1442 when the interest on the indebtedness of Taxpayer was contributed to Taxpayer's paid-in capital by Taxpayer's foreign parent, FC1.

(2) Section 1442 withholding may, in certain circumstances, be required as a result of an adjustment under § 482. Because under the facts presented, the Demand Note and the Interest Bearing Note are bona fide indebtedness and have OID, the § 1.482-2(a)(3) coordination rule will apply. However, if the interest, as determined under the OID rules, represents an arm's length rate, no adjustment under § 482 is required (see Issue (3), below).

(3) Taxpayer is liable for withholding tax on the OID component of any payments made on the Demand Note.

FACTS:

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Taxpayer is a U.S. Corporation that was owned 100% by FC1, a Country A corporation, during the taxpayer's taxable year ended December 31, 1995. Also during the year ended December 31, 1995, FC1 was a 100% subsidiary of FC2, a Country B corporation. FC2, in turn, was a 100% subsidiary of FC3, a Country C corporation.

Beginning in 1987, FC1 made loans to Taxpayer. On January 1, 1992, these outstanding loans were memorialized in a note. The note provided for principal of \$r, with interest at 10%. As of January 1, 1993, the outstanding principal was \$r and the accrued but unpaid interest was \$s. During 1993, Taxpayer paid \$t of interest to FC1, but did not make any principal payments. During 1994, Taxpayer paid \$u of interest to FC1, and again did not make any principal payments. During 1995, Taxpayer did not make any payments of principal or interest to FC1.

On date 1, a series of transactions occurred. At that time, Taxpayer owed FC1 principal of \$v and interest of \$w. FC1 was in turn indebted to FC2 for amounts somewhat larger than the amounts Taxpayer owed to FC1. FC1 agreed to satisfy the debt owed to FC2 by transferring to FC2 all of FC1's stock in Taxpayer and by assigning to FC2 the obligations owed by Taxpayer to FC1. Minutes of FC2, also on date 1, indicate that FC1 had satisfied its debts and provided that FC1 was to liquidate. These documents indicate that the liquidation was to occur on or before date 4. The minutes of FC1 also provided that FC1, "as a contribution to [Taxpayer], cancel and forgive all of the interest currently accrued in favor of [FC1]. . ." Thus, FC1 contributed the accrued, but unpaid interest owed by Taxpayer to FC1, to Taxpayer as a contribution to capital.

It appears that FC2 as well as FC1 disappeared around this time. It is unclear what happened to FC2, but Taxpayer's Form 5472 for the period ended date 2 shows Taxpayer's foreign shareholder to be FC3, rather than FC1 or FC2

Also on date 1, Taxpayer issued two notes to FC3 apparently in exchange for the note issued on January 1, 1992, to FC1. One note, labeled, "Interest Bearing" (the "Interest Bearing Note") was for a principal amount of \$x and provided for interest at an annual rate of 10%. The other note, labeled, "Demand Note" (the "Demand Note") was for a principal amount of \$y and also provided for interest at an annual rate of 10%.

The Demand Note states the following:

Interest shall accrue only after Lender [FC3] has tendered its written demand for interest and shall thereafter accrue at the rate of ten percent (10%) per annum (the 'Base Rate'). Interest shall be calculated on the basis of a 360-day year for the actual number of days elapsed. Interest shall be payable annually on

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each July 15, and if not paid when due shall accrue in arrears (but without additional interest on such interest) and shall be payable in full on date 3 (the 'Maturity Date'). . . . The principal of and interest on the Note is payable in full on the Maturity Date, unless the maturity hereof is accelerated hereunder.

We understand that FC3 has not demanded interest payments and that no interest has been paid on the Demand Note. As of Date 2, Taxpayer made a total of three payments, all characterized as payments of principal, to FC3 on the Demand Note totaling \$z.

The Interest Bearing Note, which provides for interest at an annual rate of 10%, states the following:

Interest shall be calculated on the basis of a 360-day year for the actual number of days elapsed. Interest shall be payable annually on each July 15, and if not paid when due shall accrue in arrears (but without additional interest on such interest) and shall be payable in full on date 3 (the 'Maturity Date'). . . . The principal of and interest on this Note is payable in full on the Maturity Date, unless the maturity hereof is accelerated hereunder.

As of Date 2, Taxpayer had not made any payments either of principal or interest on the Interest Bearing Note.

LAW AND ANALYSIS:

Issue (1) -- Whether § 1442 withholding may be imposed on the conversion of the accrued but unpaid interest on debt to additional paid-in capital.

In general, § 881 imposes a tax of 30 percent on the amount received from sources within the United States by a foreign corporation as interest, dividends, rents, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, and other fixed or determinable annual or periodical gains, profits, and income ("FDAP"), but only to the extent the amount so received is not effectively connected with the conduct of a trade or business within the United States.

For U.S. source income, § 1442 provides that, in the case of foreign corporations, there shall be deducted and withheld at the source in the same manner and on the same items of income as is provided in § 1441 a tax equal to 30 percent thereof. Section 1441 states, in part, that all persons, in whatever capacity acting having the control, receipt, custody, disposal, or payment of the items of income specified in § 871 shall deduct and withhold from such items a tax equal to

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30 percent. An applicable income tax treaty may reduce the rate of withholding or exempt amounts from withholding; see § 894, § 1.1441-6.

Section 1461 provides, in part, that every person required to deduct and withhold any tax under §§ 1441 or 1442 is liable for such tax and is indemnified against the claims and demands of any person for the amount of any payments made in accordance with §§ 1441 or 1442.

Fender Sales, Inc. v. Commissioner, 338 F.2d 924 (9th Cir. 1964), rev'g T.C. Memo. 1963-119, is relevant in determining whether the conversion of indebtedness into a capital contribution to the taxpayer constituted a constructive payment of interest to its foreign shareholding lenders. In Fender Sales, a corporation was indebted for accrued but unpaid salaries to two individuals. It discharged that debt by issuing additional corporate shares to these individuals. The Ninth Circuit, in reversing, found that transaction constituted a payment of salary to the individuals. Although Taxpayer in this case did not issue additional stock, by analogy, the change in the economic stake in the corporation from debt to equity in light of its purported accrued interest liability is similar to the salary payment made in Fender Sales. Fender Sales accords with the Service's continued position, reflected in Rev. Rul. 67-402, C.B. 1967-2 135, that even where proportionate ownership by the employee/shareholders is unaffected by the stock issuance, there is still a payment and income. Sections 305 and 351 were held inapplicable in that context. The interests of the shareholders were made more valuable by the increase in value of the corporation's stock as a result of the concomitant decrease in corporate indebtedness.

In rejecting taxpayers' claim that their positions had not changed as a result of the transaction, the Ninth Circuit said in Fender Sales, at 928:

We are not prepared to hold that the voluntary surrender or forgiveness of a receivable which, if collected, would represent taxable income, is, in all circumstances, a non-taxable event. We believe the authorities are opposed to such a conclusion.

The Ninth Circuit's view, however, was questioned and not followed by the Tax Court in the subsequent case of Putoma Corp. v. Commissioner, 66 T.C. 652 (1976), aff'd, 601 F.2d 734 (5th Cir. 1979). Nonetheless, we believe that Putoma should not preclude the successful application of a Fender Sales theory here, where the Golsen rule would compel the Tax Court to follow the Ninth Circuit holding in Fender Sales rather than the view suggested by the Fifth Circuit's affirmation of the Tax Court in Putoma Corp. See Golsen v. Commissioner, 54 T.C. 742 (1970), aff'd, 445 F.2d 985 (10th Cir. 1971). In addition, the reissuance of stock certificates to reflect the changed proportionate interests in the taxpayer of its foreign corporate shareholders is a distinction that the Putoma court recognized

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was "an important part of [the] ratio decendi" of the Ninth Circuit in Fender Sales, notwithstanding the Tax Court's own position on the matter. In this case, although new stock was not issued, it is apparently uncontested that FC1's economic stake in Taxpayer changed from debt to equity. Because FC1 was the 100% owner of Taxpayer, the issuance of additional stock certificates would be unnecessary to reflect any change in equity positions resulting from the conversion of the debt to equity.

Consequently, there was a constructive payment of accrued but unpaid interest subject to withholding under § 1442 when the interest on indebtedness of Taxpayer was contributed to Taxpayer's paid-in capital by Taxpayer's foreign parent, FC1.

The rate of tax under §§ 1441 and 1442 may be reduced by treaty and § 1.1441-6.

Issue (2) - Whether an adjustment under § 482 is appropriate, and if so, whether the adjustment would trigger § 1442 withholding.

Section 1442 withholding may, in certain circumstances, be required as a result of an adjustment under § 482. However, § 1.482-2(a)(3) contains a coordination rule that generally provides that if the substance of the transaction is bona fide indebtedness and another section (or sections) of the Code apply, other than § 482, to treat amounts as interest, then § 482 may also apply after the application of the other section. Section 482 will apply if, after adjustments under the other Code sections, the adjusted interest rate is greater or less than the arm's length rate of interest. See also § 1.482-2(a)(4), examples 2 and 5. Consequently, § 482 will only apply if the stated interest and OID are not an arm's length rate. Because under the facts presented, the Demand Note and the Interest Bearing Note are bona fide indebtedness and have OID, the coordination rule will apply. However, if the interest, as determined under the OID rules, represents an arm's length rate, no adjustment under § 482 is required (see Issue (3), below).

If it is determined that the interest rate is not an arm's length rate, § 482 authorizes the Secretary of the Treasury to allocate gross income, deductions, credits, or allowances between controlled entities if he determines that such an allocation is necessary to prevent evasion of taxes or clearly to reflect the incomes of the controlled enterprises. If such allocations are appropriate, the withholding tax liability under § 1442 may arise in connection therewith and TP is liable for such tax under § 1461. See Climaco and Nakamura v. Internal Revenue Service, 96-1 USTC ¶ 50,153 (E.D.N.Y. 1996), Casa de la Jolla Park, Inc. v. Commissioner, 94 T.C. 384 (1990) and Central de Gas de Chihuahua v. Commissioner, 102 T.C. 515 (1994). In addition, we note that recently-issued final regulations under § 1441 (Treas. Reg. § 1.1441-2(e)(2)) specifically provide that an allocation of income

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under § 482 is subject to withholding under § 1441, as well as income arising as a result of a secondary adjustment made in conjunction with a reallocation of income from a foreign person to a related U.S. person. While this regulation is not yet effective and hence does not apply to the taxable years here in issue, based on the foregoing and in the absence of any indication in this regulation and its preamble that it was intended to reflect a change of Service position, we view the new regulation as consistent with currently applicable law on this point.

Issue (3) - Whether the Demand Note and the Interest Bearing Note have OID, and whether withholding of tax under § 1442 is required.

Section 1442, by reference to § 1441, and § 881(a)(3), provides for withholding of tax on a payment on, or on sale or exchange of, an OID obligation. However, absent a payment to the holder of the obligation, or a sale or exchange of the obligation, no tax may be withheld under §§ 871(a)(1) or 881(a).

In the case of a payment on, or sale or exchange of, an OID obligation, § 881(a)(3) imposes withholding tax on an amount equal to the OID accruing while an OID obligation was held by a foreign corporation. Section 871(g)(1)(A) provides, with exceptions not relevant here, that an OID obligation means any bond or other evidence of indebtedness having OID.

The OID provisions are set forth in §§ 1271 - 1275. OID is defined under § 1273(a)(1) as the excess of the debt instrument's stated redemption price at maturity ("SRPM") over its issue price.

A. Stated Redemption Price at Maturity

Section 1273(a)(2) provides that SRPM means "the amounts fixed by the last modification of the purchase agreement and includes interest and other amounts payable at that time (other than any interest based on a fixed rate, and payable unconditionally at fixed periodic intervals of 1 year or less during the entire term of the debt instrument)." Section 1.1273-1(b) provides that the SPRM is "the sum of all payments provided by the debt instrument other than qualified stated interest payments. The OID regulations applicable to this transaction are those that were made effective as of April 4, 1994. T.D. 8517, 1994-1 C.B. 38. Subsequent OID regulations were made final in 1996. T.D. 8674, 1996-2 C.B. 84. These regulations are effective for debt instruments issued on or after August 13, 1996, and, therefore, do not apply to this transaction. If the payment schedule of a debt instrument is determined under § 1.1272-1(c) . . . , that payment schedule is used to determine the instrument's stated redemption price at maturity."

The alternative payment schedule rules of § 1.1272-1(c) apply to the yield and maturity of certain debt instruments that are subject to a contingency. This

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regulation only applies if the timing and amounts of the payments that comprise each payment schedule are known as of the issue date. This regulation applies to the Demand Note to determine its SRPM because it is subject to a contingency and because the timing and amounts of the payments are known: if FC3 did not demand the payments of interest, then Taxpayer would not pay any interest, but if FC3 demanded interest payments, then interest would accrue annually at a rate of 10%.

The Demand Note is also subject to an option under § 1.1272-1(c)(5). Section 1.1272-1(c)(5) provides the rule to “determine the yield and maturity of a debt instrument that provides the holder or issuer with an unconditional option or options, exercisable on one or more dates during the term of the debt instrument, that, if exercised, require payments to be made on the debt instrument under an alternative payment schedule or schedules. . . .” Under § 1.1272-1(c)(5), the holder of the debt instrument is deemed to exercise or not exercise the option in a manner that maximizes the yield on the instrument.

Here, the terms of the Demand Note give the note holder, FC3, the choice of either demanding interest or not. Under § 1.1272-1(c)(5) FC3 is deemed to exercise the option that maximizes the yield on the Demand Note, and is deemed to demand interest on the Demand Note at a rate of 10% annually. Because the maximum amount that the Demand Note could yield would be the principal of \$y plus annual interest at a rate of 10%, FC3 is deemed to exercise this option, and accordingly, Taxpayer is deemed to pay this amount as the SRPM. The qualified stated interest aspect of the SRPM is defined under § 1.1273-1(c) generally to be the “stated interest that is unconditionally payable in cash or in property . . . , or that will be constructively received . . . at least annually at a single fixed rate. . . .” In the case of a debt instrument with a contingency or option, the debt instrument provides for qualified stated interest “to the extent of the lowest fixed rate at which qualified stated interest would be payable under any payment schedule.” Section 1.1273-1(c)(2).

The interest that Taxpayer would be obligated to pay on the Demand Note (interest at a rate of 10% annually) is neither “interest based on a fixed rate, and payable unconditionally at fixed periodic intervals of 1 year or less,” under the definition of SRPM under § 1273(a)(2), nor is it qualified stated interest under § 1.1273-1(c) because the interest is not unconditionally payable annually at a fixed rate. The Demand Note states that interest “shall accrue only after Lender has tendered its written demand for interest,” and “shall be payable annually on each July 15, and if not paid when due shall accrue in arrears (but without additional interest on such interest).” Additionally, the lowest rate at which interest could be fixed is at a rate of 0%. Because the interest is not qualified stated interest, it is added to the SRPM.

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The SRPM of the Interest Bearing Note, determined under § 1273(a)(2), is the \$x plus any interest that may be paid on the note. The 10% interest that is provided for in the note is neither “interest based on a fixed rate, and payable unconditionally at fixed periodic intervals of one year or less . . .,” as provided in § 1273(a)(2), nor is it qualified stated interest under § 1.1273-1(c) because interest is not payable unconditionally annually at a fixed rate. Rather, the Interest Bearing Note provides that interest will be paid in full, either annually or upon maturity. The Interest Bearing Note states that “Interest shall be payable annually on each July 15, and if not paid when due shall accrue in arrears (but without additional interest on such interest) and shall be payable in full on date 3 (the ‘Maturity Date’).” Therefore, any interest that may be paid on the Interest Bearing Note will be added to (but not excluded from) the SRPM.

B. Issue Price

Section 1273(b) addresses issue price. Section 1.1273-2(d) provides that, if the issue price of the debt instrument is not determined under (a)(1), (b)(1), or (c)(1) of § 1.1273-2, and if § 1274 applies to the debt instrument, the issue price of the instrument is determined under § 1274. Otherwise, the issue price is determined under § 1273(b)(4). Reference must be made to § 1274(c) and § 1.1274-1 to determine whether § 1274 applies.

Section 1274 will generally apply to a debt instrument if it is given in consideration for the sale or exchange of property, and, under § 1274(c)(1), if:

- (A) the stated redemption price at maturity for the debt instrument exceeds-
 - (i) where there is adequate stated interest, the stated principal amount, or
 - (ii) in any other case, the imputed principal amount of such debt instrument determined under subsection (b), and
- (B) some or all of the payments due under such debt instrument are due more than 6 months after the date of such sale or exchange.

Property, as defined under § 1273(b)(5), includes services and the right to use property. For purposes of § 1274, under § 1.1274-1(a), property also includes debt instruments.

The issue price of a debt instrument to which § 1274 applies is determined under §§ 1274(a)(1) and (a)(2). Under §§ 1274(a)(1) and (a)(2), the issue price of

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the debt instrument is either the stated principal amount, where there is adequate stated interest, or the imputed principal amount, where there is other than adequate stated interest.

The stated principal amount of a debt instrument is the aggregate amount of all payments due under the debt instrument, excluding any amount of stated interest. Section 1.1274-2(b)(1).

Section 1.1274-2(d) provides the rule for determining the issue price of a debt instrument to which § 1274 applies and that is subject to a certain option. If the option is of the type described in § 1.1272-1(c)(1) and (c)(5), then the following rule under § 1.1274-2(d) applies:

an issuer will be deemed to exercise or not exercise an option or combination of options in a manner that minimizes the instrument's imputed principal amount, and a holder will be deemed to exercise or not exercise an option or combination of options in a manner that maximizes the instrument's imputed principal amount. . . . See § 1.1272-1(c)(5) to determine the debt instrument's yield and maturity for purposes of determining the accrual of OID with respect to the instrument.

Insofar as the Interest Bearing Note, § 1274 applies because the SRPM, which is \$x plus the interest that accrues annually at a rate of 10%, is greater than the stated principal amount of \$x. Additionally, the Interest Bearing Note was issued in exchange for property, another debt instrument. Section 1.1274-1(a).

Section 1274 applies to the Demand Note because the SRPM of the Demand Note, \$y plus the interest that accrues annually at a rate equal to 10%, exceeds its stated principal amount (issue price), or \$y. Additionally, the Demand Note was issued in exchange for property, another debt instrument. Section 1.1274-1(a).

As already determined, the Demand Note is subject to an option under § 1.1272-1(c)(5). The issue price of the Demand Note is the amount deemed to be the amount that maximizes FC3's imputed principal amount under § 1.1274-2(d) because the Demand Note is subject to an option. In this case, the maximum principal amount and the issue price of the Demand Note is \$y.

There is adequate stated interest on a debt instrument under § 1274(c)(2) generally if the interest rate on the debt instrument is equal to or greater than the applicable Federal rate ("AFR"). Specifically, there is adequate stated interest if the stated principal amount of the debt instrument is less than or equal to the imputed principal amount of the debt instrument. The imputed principal amount is determined under § 1274(b)(1) to be equal to the sum of all the present values of

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all payments due under the debt instrument. Under section 1274(b)(2), present value is determined as of the date of sale or exchange by using a discount rate equal to the AFR, compounded semiannually. The AFR for debt instruments issued with a term of more than 3 years but less than 9 years is equal to the Federal mid-term rate, under § 1274(d)(1).

Interest on a debt instrument is tested for adequacy under § 1.1274-4. The test rate of interest is the three month rate, which is the lowest AFR in effect during the three-month period ending with the first month in which there is a binding written contract on the sale or exchange or ending with the month in which the sale or exchange occurs, under § 1.1274-4(a)(1)(ii). The applicable AFR is determined under § 1.1274-4(b).

As a five-year instrument, the Demand Note's AFR is the lowest of the Federal rates of the three months prior to and including the month in which the instrument was issued, or 6.26%, compounded semiannually, under § 1274(d)(1)(A). Rev. Rul. 96-24, 1996-1 C.B. 188. The interest that the Demand Note provides for, an annual rate of 10%, not compounded, is greater than the amount that would be paid using the AFR; therefore, the interest provided for is adequate interest. The issue price is hence the maximum principal amount of \$y.

The AFR for the five-year Interest Bearing Note for this period was the lowest of the Federal mid-term rates of the three months prior to and including the date of issuance of the instrument, or 6.36%, compounded annually. Rev. Rul. 96-24, 1996-1 C.B. 188. The interest that is provided for on the note will be more than the interest that would be paid using the AFR. Therefore, the Interest Bearing Note has adequate stated interest under § 1274(a) and the issue price is the stated principal amount, \$x.

C. Accrual and Deduction of OID

Under § 1272(a)(1), the holder of the instrument includes in income the sum of the daily portions of the OID for each day during the taxable year on which the holder held the instrument. The daily portion of the OID that accrues to the holder is determined under § 1272(a)(3). To determine the adjusted issue price of the instrument, the issue price of the instrument is added to the adjustments to the issue price for all periods before the first day of the accrual period, under § 1272(a)(4).

Interest and OID paid pursuant to a debt instrument are usually deductible either when paid or accrued under § 163. Section 163(e)(1) allows the issuer of a debt instrument to deduct the aggregate daily portion of the original issue discount on the debt instrument. Under § 163(e)(3), the issuer of a debt instrument which is held by a foreign person related to the issuer may not deduct the OID until the

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amount is paid. A foreign person is related to the issuer under § 163(e)(3) if the relationship is one as described in § 267(b). Under § 267(b)(3), two corporations are related if they are members of the same controlled group as defined by section 267(f). Section 267(f) defines a controlled group as having the same general meaning as in § 1563(a). A parent-subsidary controlled group of corporations under § 1563(a)(1) means generally that one or more chains of corporations are connected through a specified percentage of stock ownership with a common parent.

OID accrues on the Demand Note to the extent of excess of the SRPM over the stated principal amount (issue price). FC3 will take into income the daily portion of OID that accrues on the Demand Note under § 1272(a). Although the issuer of the note usually deducts the OID as it accrues, in this case the taxpayer may only deduct the OID when the taxpayer actually makes payments because the related foreign party exception under § 163(e)(3) applies to this transaction. The facts as we know them indicate that Taxpayer is wholly owned by a foreign person, FC3; therefore, Taxpayer and its parent are members of the same controlled group of corporations as defined in § 1563(a)(1), § 267(b) and § 267(f), and Taxpayer's foreign parent FC3 is a related foreign person under § 163(e)(3)(B). It is believed that Taxpayer has made \$z in payments on the Demand Note, and Taxpayer may deduct the OID on these payments actually made. In addition, Taxpayer is liable for withholding tax on the OID that had accrued prior to these payments. In addition, any subsequent payments on the Demand Note or a sale or exchange of the Demand Note will be subject to withholding on the accrued OID.

The OID that accrues on the Interest Bearing Note is the difference between the SRPM and the stated principal amount (issue price). FC3 will take into income the daily portion of OID that accrues on the Interest Bearing Note. As is the situation with the Demand Note, Taxpayer may only deduct the OID when Taxpayer actually makes payments because the related foreign party exception under § 163(e)(3) applies. In addition, when Taxpayer either makes payments on the Interest Bearing Note or sells or exchanges the Interest Bearing Note, Taxpayer will be liable for withholding on the accrued OID. It is believed that there have been no payments of either principal or interest made on the Interest Bearing Note.



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If you have any further questions, please call (202) 622-3840.

/s/ Phyllis E. Marcus
PHYLLIS E. MARCUS
Branch Chief