

MEMO# 3733

April 27, 1992

REQUEST FOR LETTERS TO TREASURY REQUESTING PFIC REGULATIONS BE MADE TEMPORARY

April 27, 1992 TO: TAX COMMITTEE NO. 17-92 RE: REQUEST FOR LETTERS TO TREASURY
REQUESTING PFIC REGULATIONS BE MADE TEMPORARY

As you know, the Treasury Department has recently issued regulations which establish a mark-to-market system for regulated investment companies ("RICs") which hold stock of passive foreign investment companies ("PFICs"). (See Institute Memorandum to Tax Members No. 23-91, Accounting/Treasurers Members No. 20-92, Closed-End Fund Members No. 19-92 and International Members No. 7-92, dated April 3, 1992.) The Institute has requested that the proposed regulations, or at least that section establishing the mark-to-market system for RICs, be made temporary so that RICs might be able to make use of the provisions as soon as possible. (See Institute Memorandum to Tax Members No. 27-91, Accounting/Treasurers Members No. 21-92, Closed-End Fund Members No. 21-92 and International Members No. 9-92, dated April 23, 1992.) To support our effort to have the regulation made temporary we urge member complexes with RICs which hold PFICs to also write to the Treasury Department requesting such action. A copy of the Institute's letter to the Treasury is attached, and may be used as a basis for members' letters. We will keep you informed of further developments. David J. Mangefrida Jr. Assistant Counsel - Tax Attachment