

**MEMO# 6461**

December 19, 1994

# **REVISIONS TO 1994 UPDATE OF INSTITUTE SURVEY RELATING TO PASSIVE FOREIGN INVESTMENT COMPANIES**

1 See Institute Memorandum to Accounting/Treasurers Members No. 16-94, Closed-End Fund Members No. 17-94, International Committee No. 11-94, Members - One Per Complex No. 29-94 and Tax Members No. 26-94, dated June 17, 1994. 2 The three categories are (1) entities which have been determined to be PFICs; (2) entities which are potentially PFICs, but whose status is unclear; and (3) entities which were suspected of being, but were determined not to be, PFICs. December 19, 1994 TO: TAX MEMBERS No. 51-94 ACCOUNTING/TREASURERS MEMBERS No. 43-94 CLOSED-END FUND MEMBERS No. 44-94 INTERNATIONAL COMMITTEE No. 22-94 MEMBERS - ONE PER COMPLEX No. 100-94 RE: REVISIONS TO 1994 UPDATE OF INSTITUTE SURVEY RELATING TO PASSIVE FOREIGN INVESTMENT COMPANIES

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Following release of the 1994 update of the Institute's passive foreign investment company ("PFIC") survey<sup>1</sup>, we began receiving inquiries from companies listed in the three categories<sup>2</sup> regarding the basis for the listing. As you know, the listing is based solely on information received from Institute members and recipients of the list should not rely upon this information without further investigation by fund auditors or counsel. The attached revision to the 1994 update clarifies the status of various securities. The changes are set forth at the beginning of the revised survey and are divided into the following categories: (1) securities previously identified as PFICs and as potential or non-PFICs which are now identified only as not being PFICs, (2) securities previously identified as PFICs which are now identified only as not being PFICs, (3) securities previously identified as potential PFICs which are now identified only as not being PFICs, (4) securities previously identified as PFICs and as potential PFICs which are now identified only as being PFICs, and (5) securities previously identified as potential PFICs which are now identified only as being PFICs. We will keep you informed of developments. Keith D. Lawson Associate Counsel - Tax Attachments