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Treasury Proposes Rules on Killer B Triangular Reorgs

The Treasury Department and the IRS proposed [regulations](#) to rein in “Killer B” triangular reorganizations involving foreign corporations. The regulations were issued under Section 367. Triangular reorganizations are transactions in which a subsidiary acquires stock in its parent company and then uses it to acquire another company. Such transactions could bring foreign income back to the U.S. without tax. The proposed rules would formalize the previously issued guidance, which blocks certain kinds of Killer B transactions.

FASB Plans To Clarify Complex Convertible Debt Accounting Rules

The Financial Accounting Standards Board (FASB) plans to propose clarifications to complex convertible debt accounting rules in response to [demands](#) from the Big Four accounting firms. The FASB will release its proposal for public comments in December. The proposal is expected to clear up how to account for convertible debt instruments that allow the issuer to settle them in cash.

Transfer Pricing, Foreign Currency Rules Among Top Treasury, IRS Priorities

The Treasury Department and the IRS added international guidance projects on foreign personal holding company income and transfer pricing to their annual [list](#) of regulatory priorities. The 2023-2024 Priority Guidance Plan includes a project under Section 954 regarding the timing of the elections on foreign currency gain or loss treatment as foreign personal holding company income. The new plan also tacks on a project under Section 482, addressing the treatment of intangible development costs incurred as part of a cost-sharing arrangement.



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