

SUPPLEMENTARY INFORMATION:
Background

The final regulations that are the subject of these corrections are under section 985 of the Internal Revenue Code.

Need for Correction

As published, the final regulations (T.D. 8765) contain errors which may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of the final regulations (TD 8765), which was the subject of FR Doc. 98-5470, is corrected as follows:

§1.985-1 [Corrected]

1. On page 10774, column 2, §1.985-1 (b)(2)(ii)(C) is corrected as follows:

1. The paragraph heading for paragraph (b)(2)(ii)(C)(1) is added.

2. A new paragraph (b)(2)(ii)(C)(2) is added.

The corrections read as follows:

§1.985-1 Functional currency.

* * * * *

(b) * * *

(2) * * *

(ii) * * *

(C) * * * (1) *In general.* * * *

(2) *Effective date.* This paragraph (b)(2)(ii)(C) applies to taxable years beginning after April 6, 1998. However, a taxpayer may choose to apply this paragraph to all open years after December 31, 1986, provided each person, and each QBU branch of a person, that is related (within the meaning of §1.985-2(d)(3)) also applies to this paragraph (b)(2)(ii)(C).

§1.985-7 [Corrected]

2. On page 10775, column 2, §1.985-7 (b)(3), in the last three lines, the language “had translated its assets and liabilities under §1.985-3 during the look-back period.” is corrected to read “had translated its assets and liabilities acquired and incurred during the look-back period under §1.985-3.”

4. On page 10776, column 2,

§1.985-7 (c)(5), line 17, the language “of change.) For purposes of section 960,” is corrected to read “of change). For purposes of section 960.”.

5. On page 10776, column 2, §1.985-7 (c)(5), the last line, the language “section.)” is corrected to read “section).”.

6. On page 10776, column 3, §1.985-7 (d)(5), the last two lines, the language “assets and liabilities under §1.985-3 during the look-back period.” is corrected to read “assets and liabilities acquired and incurred during the look-back period under §1.985-3.”.

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Change From Dollar Approximate Separate Transaction Method of Accounting (DASTM) to the Profit and Loss Method of Accounting/Change From the Profit and Loss Method to DASTM; Correction to T.D. 8765

Announcement 98-39

SUMMARY: This announcement contains corrections to final regulations (T.D. 8765 [1998-16 I.R.B. 11] 63 F.R. 10772), relating to adjustments required when a qualified business unit (QBU) that used the profit and loss method of accounting (P&L) in a post-1986 year begins to use the dollar approximate separate transaction method of accounting (DASTM) and adjustments required when a QBU that used DASTM begins using P&L.

DATES: This correction is effective April 6, 1998.

FOR FURTHER INFORMATION CONTACT: Howard Wiener of the Office of Chief Counsel (International), (202) 622-3870 (not a toll-free number).