

9. Should any of the proposed conditions be eliminated or modified? Please explain.

10. Are there other or different conditions that should apply to the proposed exemption? Please explain.

11. Are there any specific written disclosures to Qualified Providers that should be required, beyond those that are a condition of the proposed exemption? For example, should the municipal advisor be required to provide a written disclosure to the Qualified Provider that it may elect to engage a registered broker or other intermediary for the transaction? Please explain.

12. Should the exemption be expanded to include transactions in which multiple Qualified Providers purchase portions of the entire municipal securities offering directly from the Municipal Issuer? What are the relevant issues for the Commission to consider in determining whether such an expansion is necessary or appropriate in the public interest, and consistent with the protection of investors? For example, would the participation of multiple purchasers necessitate additional or different conditions or present heightened investor protection concerns? Please explain.

13. Is the type of direct placement contemplated by this proposed exemptive order typically resold into the secondary market? If so, how often and to what type of investor? Does the possibility of such a resale raise any investor protection concerns? If so, please explain. How should the Commission address those concerns?

14. Under the proposed definition of "Municipal Issuers," the exemption would apply to conduit transactions involving obligated persons—i.e., the issuance of municipal securities by a municipal entity to finance a project to be used primarily by a third-party obligated person, such as a non-profit hospital or private university. Are there reasons the exemption should not apply with respect to obligated persons? If so, why not? If the exemption should apply, should the Commission impose additional or different conditions concerning those transactions? Should the exemption be conditioned on additional or different disclosure requirements for transactions involving obligated persons? Please explain.

15. Should the Commission, instead of granting the conditional exemption, require municipal advisors wishing to solicit Qualified Providers for direct placements on behalf of their Municipal Issuer clients to also register as brokers? For example, would a broker

registration requirement provide necessary protections for investors, and if so, what specific protections would result from broker registration with respect to direct placement transactions? What would be the impact of such a requirement on municipal advisors operating in this space, in terms of both cost and competitive considerations? Please explain.

16. With respect only to direct placement transactions described above, what are the practical implications of the requirements resulting from broker registration, for example those related to any due diligence or other investor protection obligations, that are not applicable to municipal advisors? What are the practical implications of the differences between broker obligations and municipal advisors' fair dealing obligations? Please be specific and limit the context of the response to direct placements in which a single institutional investor purchases the entire issuance.

17. Would the proposed exemption have a competitive impact—either positive or negative—on municipal advisors and/or brokers? For example, would this proposed exemption facilitate capital formation for smaller Municipal Issuers? Are the costs of engaging a broker for direct placements burdensome for smaller Municipal Issuers? Please explain.

By the Commission.

Dated: October 2, 2019.

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2019–21882 Filed 10–8–19; 8:45 am]

BILLING CODE 8011–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–106282–18]

RIN 1545–BP35

Limitation on Deduction for Dividends Received From Certain Foreign Corporations and Amounts Eligible for Section 954 Look-Through Exception; Hearing

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Proposed rule; notice of hearing.

SUMMARY: This document provides a notice of public hearing on proposed regulations which cross-references temporary regulations under section 245A of the Internal Revenue Code (the

"Code") that limit the dividends received deduction available for certain dividends received from current or former controlled foreign corporations.

DATES: The public hearing is being held on Friday, November 22, 2019, at 10:00 a.m. The IRS must receive speakers' outlines of the topics to be discussed at the public hearing by Monday, November 11, 2019. If no outlines are received by November 11, 2019, the public hearing will be cancelled.

ADDRESSES: The public hearing is being held in the IRS Auditorium, Internal Revenue Service Building, 1111 Constitution Avenue NW, Washington, DC 20224. Due to building security procedures, visitors must enter at the Constitution Avenue entrance. In addition, all visitors must present a valid photo identification to enter the building.

Send Submissions to CC:PA:LPD:PR (REG–106282–18), Room 5205, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday to CC:PA:LPD:PR (REG–106282–18), Couriers Desk, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, DC 20224 or sent electronically via the Federal eRulemaking Portal at www.regulations.gov (IRS REG–106282–18).

FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulations, Logan M. Kincheloe, (202) 317–6937; concerning submissions of comments, the hearing and/or to be placed on the building access list to attend the hearing, Regina Johnson at (202) 317–6901 (not toll-free numbers), fdms.database@irs.counsel.treas.gov.

SUPPLEMENTARY INFORMATION: The subject of the public hearing is the notice of proposed rulemaking (REG–106282–18) that was published in the **Federal Register** on Tuesday, June 18, 2019 (84 FR 28426).

The rules of 26 CFR 601.601(a)(3) apply to the hearing. Persons who wish to present oral comments at the hearing that submitted written comments by September 16, 2019, must submit an outline of the topics to be addressed and the amount of time to be devoted to each topic by Monday, November 11, 2019.

A period of 10 minutes is allotted to each person for presenting oral comments. After the deadline for receiving outlines has passed, the IRS will prepare an agenda containing the schedule of speakers. Copies of the agenda will be made available, free of charge, at the hearing or by contacting

the Publications and Regulations Branch at (202) 317–6901 (not a toll-free number).

Because of access restrictions, the IRS will not admit visitors beyond the immediate entrance area more than 30 minutes before the hearing starts. For information about having your name placed on the building access list to attend the hearing, see the **FOR FURTHER INFORMATION CONTACT** section of this document.

Martin V. Franks,

Branch Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel, (Procedure and Administration).

[FR Doc. 2019–21884 Filed 10–8–19; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–118784–18]

RIN 1545–BO91

Guidance on the Transition From Interbank Offered Rates to Other Reference Rates

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations that provide guidance on the tax consequences of the transition to the use of reference rates other than interbank offered rates (IBORs) in debt instruments and non-debt contracts. The proposed regulations are necessary to address the possibility that an alteration of the terms of a debt instrument or a modification of the terms of other types of contracts to replace an IBOR to which the terms of the debt instrument or other contract refers with a new reference rate could result in the realization of income, deduction, gain, or loss for Federal income tax purposes or could result in other tax consequences. The proposed regulations will affect parties to debt instruments and other contracts that reference an IBOR.

DATES: Written or electronic comments and requests for a public hearing must be received by November 25, 2019.

ADDRESSES: Submit electronic submissions via the Federal eRulemaking Portal at <https://www.regulations.gov> (indicate IRS and REG–118784–18) by following the online instructions for submitting comments. Once submitted to the

Federal eRulemaking Portal, comments cannot be edited or withdrawn. The Department of the Treasury (Treasury Department) and the IRS will publish for public availability any comment received to its public docket, whether submitted electronically or in hard copy. Send hard copy submissions to: CC:PA:LPD:PR (REG–118784–18), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG–118784–18), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, DC 20224.

FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulations, Caitlin Holzem at (202) 317–4391; concerning submissions of comments and requesting a hearing, Regina L. Johnson at (202) 317–6901 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

This document contains proposed amendments to the Income Tax Regulations (26 CFR part 1) under sections 860G, 882, 1001, and 1275 of the Internal Revenue Code (Code).

1. Elimination of IBORs

On July 27, 2017, the U.K. Financial Conduct Authority, the U.K. regulator tasked with overseeing the London interbank offered rate (LIBOR), announced that all currency and term variants of LIBOR, including U.S.-dollar LIBOR (USD LIBOR), may be phased out after the end of 2021. The Financial Stability Board (FSB) and the Financial Stability Oversight Council (FSOC) have publicly acknowledged that in light of the prevalence of USD LIBOR as the reference rate in a broad range of financial instruments, the probable elimination of USD LIBOR has created risks that pose a potential threat to the safety and soundness of not only individual financial institutions, but also to financial stability generally. In its 2014 report “Reforming Major Interest Rate Benchmarks,” the FSB discussed the problems associated with key IBORs and made recommendations to address these problems, including the development and adoption of nearly risk-free reference rates to replace IBORs. The FSB and FSOC have recognized that a sudden cessation of a widely used reference rate could cause considerable disruptions in the marketplace and might adversely affect the normal functioning of a variety of markets in the United States, including

business and consumer lending and the derivatives markets.

The Alternative Reference Rates Committee (ARRC), whose ex-officio members include the Board of Governors of the Federal Reserve System, the Treasury Department, the Commodity Futures Trading Commission, and the Office of Financial Research, was convened by the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York to identify alternative reference rates that would be both more robust than USD LIBOR and that would comply with standards such as the International Organization of Securities Commissions’ “Principles for Financial Benchmarks.” The ARRC was also responsible for developing a plan to facilitate the voluntary acceptance of the alternative reference rate or rates that were chosen. On March 5, 2018, the ARRC published a report that summarizes the work done earlier to select the Secured Overnight Financing Rate (SOFR) as the replacement for USD LIBOR. The Federal Reserve Bank of New York began publishing SOFR daily as of April 3, 2018, in cooperation with the Office of Financial Research. In addition, the Chicago Mercantile Exchange and other entities have launched trading in SOFR futures and have begun clearing for over-the-counter SOFR swaps. Although SOFR is calculated from overnight transactions, it is possible that one or more term rates based on SOFR derivatives may be added in the future.

Other jurisdictions have also been working toward replacing the LIBOR associated with their respective currencies. The Working Group on Sterling Risk-Free Reference Rates in the United Kingdom chose the Sterling Overnight Index Average (SONIA) to replace British pound sterling LIBOR; the Study Group on Risk-Free Reference Rates in Japan chose the Tokyo Overnight Average Rate (TONAR) to replace yen LIBOR and to serve as an alternative to the Tokyo Interbank Offered Rate (TIBOR); and the National Working Group in Switzerland selected the Swiss Average Rate Overnight (SARON) to replace Swiss franc LIBOR. Alternatives for the relevant IBOR rate have also been selected for Australia, Canada, Hong Kong, and the Eurozone. Other countries are at various stages of selecting a reference rate to replace their respective versions of IBOR.

2. Letters on the Tax Implications of the Elimination of IBORs on Debt Instruments and Non-Debt Contracts

On April 8, 2019, and June 5, 2019, the ARRC submitted to the Treasury