

802.51(b)(1)

From: [REDACTED]
To: HQ.DCMail2(MVERNE)
Date: Tue, Dec 21, 1999 10:07 AM
Subject: Situs of assets

Miko--

The PNO's current position is that the situs of assets owned by a foreign corporation for purposes of section 802.51(b)(1). Assume the acquiring person, a foreign corporation, seeks to acquire control of another foreign issuer that operates cruise ships. The ships are registered in a foreign country, but some of them operate regularly out of US ports, although perhaps not exclusively. Assume also that the book value of the ships on the acquired person's LRPBS exceeds the limitation of the rule. Do these ships alone constitute acquired person's assets in the US to deny the exemption under 802.51(b)(1)?

I remember discussing this with Dick, and I cannot recall the answer with any certainty. My vague recollection is that ships of foreign registry that do not use US ports as their homeports do not create in the US. However, ships of

if a ship has more than one home port, who knows?

What's the PNO's current position?

Happy Holidays.

OUR POSITION IS SAME AS
INT # 269.

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Bruce [Signature]
12/30/99

(RESPONDED BY PNO)

CC: [REDACTED]