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Final regulations: Transfers to partnerships with related foreign partners (text of regulations)

The U.S. Treasury Department and the IRS this afternoon released for publication in the Federal Register final regulations (T.D. 9891) concerning transfers of appreciated property by U.S. persons to partnerships with foreign partners related to the transferor.

The [final regulations](#) [PDF 369 KB] (20 pages as published in the Federal Register) reflect rules previously provided in temporary regulations and override the rules providing for nonrecognition of gain on a contribution of property to a partnership in exchange for an interest in the partnership, unless the partnership adopts the remedial allocation method and certain other requirements are satisfied.

With these final regulations, regulations proposed in January 2017 are finalized, and corresponding temporary regulations are withdrawn. Read a KPMG report providing initial impressions about the temporary regulations in January 2017: [TaxNewsFlash](#)

The purpose of this report is to provide text of the final regulations. The final regulations were published in the Federal Register on January 23, 2020.

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