



# TaxNewsFlash

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## Regulations pending OIRA review: Exception from passive income for foreign insurance companies

OMB's Office of Information and Regulatory Affairs (OIRA) has received for review final and proposed regulations from the U.S. Treasury Department relating to the exception from passive income for certain foreign insurance companies.

The 2017 U.S. tax law—(Pub. L. No. 115-97) or the law that is commonly referred to as the “Tax Cuts and Jobs Act” (TCJA)—modified the insurance exception to the passive foreign investment company rules.

OIRA reported that it received the following regulations for review on October 21, 2020:

- Final regulations—[1545-BO59](#): *Exception from passive income under section 1297 for certain foreign insurance companies [TCJA]*
- Proposed regulations—[RIN: 1545-BP91](#): *Exception to passive income characterization of certain insurance companies with respect to passive foreign investment companies [TCJA]*

Treasury regulations that are identified as “major” regulations are subject to review by OMB's OIRA before being issued, pursuant to Executive Order 13771. Accordingly, knowing the status of OIRA review of Treasury regulations can help in predicting when regulations may be issued by Treasury and the IRS.

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