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Regulations on exception from passive income for foreign insurance companies; OIRA review completed

OMB's Office of Information and Regulatory Affairs (OIRA) reported it has completed its review of final and proposed regulations 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.

According to OIRA, review of the final and proposed regulations was completed on November 20, 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. Now that OIRA review has been completed, Treasury and the IRS can be expected to release these final and proposed regulations for publication in the Federal Register—the exact date of publication not being known.

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