A, a U.S. citizen, creates and funds FT, a foreign trust, for the benefit of A's children, who are U.S. citizens. On July 1, 2004, A transfers XYZ stock to D, A's uncle, who is a nonresident alien. D immediately sells the XYZ stock and uses the proceeds to purchase ABC stock. On January 1, 2007, D transfers the ABC stock to FT. A is unable to demonstrate to the satisfaction of the Commissioner, that D acted independently of A in making the transfer to FT. A is treated as having transferred the ABC stock to FT. Under paragraph (c)(3) of this section, D is treated as an agent of A, and the transfer is deemed to have been made on January 1, 2007.