Reg. 1.679-4(b)(2)(ii), Example

Transfer of Property to Foreign Trust for Partial Consideration

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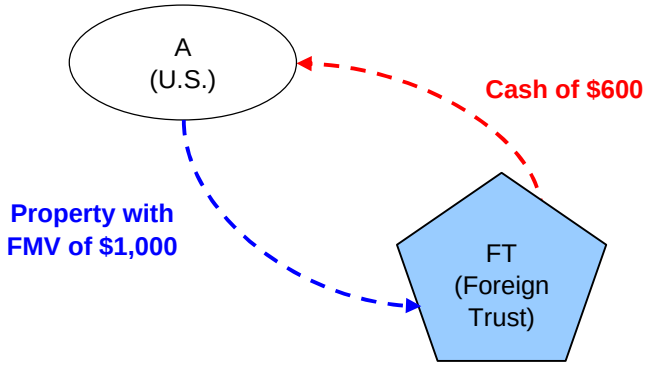

Means a trust

A, a U.S. citizen, transfers property that has a fair market value of 1000X to FT, a foreign trust, in exchange for 600X of cash. Reg. 1.679-1 applies and A is treated as the owner of FT with respect to the transfer of 400X (1000X less 600X) to FT.

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