A and B are U.S. residents and FT is a foreign trust. B transfers 1000X to FT in exchange for an obligation of the trust. The term of the obligation is fifteen years. B is not a related person (as defined in Reg. 1.679-1(c)(5)) with respect to FT. Because B is not a related person, the fair market value of the obligation received by B is taken into account for purposes of determining whether B's transfer is eligible for the fair market value exception of Reg. 1.679-4(a)(4), even though the obligation is not a qualified obligation.