The facts are the same as in Example 3, except that in year 2, A makes the interest payment of $25 to FB, a Country Y unrelated foreign bank, on a loan from FB to A. The analysis is the same as in Example 1 with respect to the $100 dividend payment from S to A. The interest payment from A to FB is not recharacterized because A is not related to FB. Thus, the $25 interest payment made from A to FB is treated as interest.