

## Reg. 1.958-2(g), Example 6

### Family Attribution From U.S. Spouse

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United States person F owns 10% of the one class of stock in foreign corporation Z; corporation Z owns 10% of the one class of stock in foreign corporation K; and corporation K owns 100% of the one class of stock in foreign corporation L. United States person G, F's spouse, owns 9% of the stock in K Corporation. Under Reg. 1.958-2(c)(1)(iii) or Reg. 1.958-1(a)(2), F is considered as owning 1% (10% of 10% of 100%) of the stock in L Corporation by reason of his ownership of stock in Z Corporation, and, under Reg. 1.958-2(b)(1), G is considered as owning such 1% of the stock in L Corporation. Under Reg. 1.958-1(a)(2), G is considered as owning 9% (9% of 100%) of the stock in L Corporation by reason of her ownership of stock in K Corporation, and, under Reg. 1.958-2(b)(1), F is considered as owning such 9% of the stock in L Corporation. Thus, for the purpose of determining whether F or G is a United States shareholder with respect to L Corporation, each of F and G is considered as owning a total of 10% of the stock in L Corporation by applying the rules of Reg. 1.958-1(a)(2) and Reg. 1.958-2(b)(1).

