

1           (2) DETERMINATION OF DOMESTIC CONTROL.—  
2           The amendments made by subsection (b)(1) shall  
3           take effect on the date of the enactment of this Act.

4           (3) TECHNICAL AMENDMENT.—The amendment  
5           made by subsection (b)(2) shall take effect on Janu-  
6           ary 1, 2015.

7   **SEC. 323. EXCEPTION FOR INTERESTS HELD BY FOREIGN**  
8                           **RETIREMENT OR PENSION FUNDS.**

9           (a) IN GENERAL.—Section 897, as amended by the  
10          preceding provisions of this Act, is amended by adding at  
11          the end the following new subsection:

12          “(1) EXCEPTION FOR INTERESTS HELD BY FOREIGN  
13          PENSION FUNDS.—

14                 “(1) IN GENERAL.—This section shall not apply  
15                 to any United States real property interest held di-  
16                 rectly (or indirectly through 1 or more partnerships)  
17                 by, or to any distribution received from a real estate  
18                 investment trust by—

19                         “(A) a qualified foreign pension fund, or

20                         “(B) any entity all of the interests of  
21                         which are held by a qualified foreign pension  
22                         fund.

23                 “(2) QUALIFIED FOREIGN PENSION FUND.—

24                 For purposes of this subsection, the term ‘qualified

1 foreign pension fund’ means any trust, corporation,  
2 or other organization or arrangement—

3 “(A) which is created or organized under  
4 the law of a country other than the United  
5 States,

6 “(B) which is established to provide retire-  
7 ment or pension benefits to participants or  
8 beneficiaries that are current or former employ-  
9 ees (or persons designated by such employees)  
10 of one or more employers in consideration for  
11 services rendered,

12 “(C) which does not have a single partici-  
13 pant or beneficiary with a right to more than  
14 five percent of its assets or income,

15 “(D) which is subject to government regu-  
16 lation and provides annual information report-  
17 ing about its beneficiaries to the relevant tax  
18 authorities in the country in which it is estab-  
19 lished or operates, and

20 “(E) with respect to which, under the laws  
21 of the country in which it is established or oper-  
22 ates—

23 “(i) contributions to such trust, cor-  
24 poration, organization, or arrangement  
25 which would otherwise be subject to tax

1 under such laws are deductible or excluded  
2 from the gross income of such entity or  
3 taxed at a reduced rate, or

4 “(ii) taxation of any investment in-  
5 come of such trust, corporation, organiza-  
6 tion or arrangement is deferred or such in-  
7 come is taxed at a reduced rate.

8 “(3) REGULATIONS.—The Secretary shall pre-  
9 scribe such regulations as may be necessary or ap-  
10 propriate to carry out the purposes of this sub-  
11 section.”.

12 (b) EXEMPTION FROM WITHHOLDING.—Section  
13 1445(f)(3) is amended by striking “any person” and all  
14 that follows and inserting the following: “any person other  
15 than—

16 “(A) a United States person, and

17 “(B) except as otherwise provided by the  
18 Secretary, an entity with respect to which sec-  
19 tion 897 does not apply by reason of subsection  
20 (l) thereof.”.

21 (c) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to dispositions and distributions  
23 after the date of the enactment of this Act.