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**Tom Cullinan provides letter to the editor in Tax Notes Federal and Tax Notes International**

**In a letter to the editor in Tax Notes Federal and Tax Notes International , Tom Cullinan discusses how the good intentions of the IRS have gone awry following the proposed regulations for Malta Pensions**

October 3, 2023

In an article published in Tax Notes Federal and Tax Notes International on October 2, 2023, Atlanta-based Shareholder Tom Cullinan provides a letter to the editor elaborating on the proposed regulations discussed by Lee Sheppard in the recent article, The Attack on Maltese Retirement Accounts.

The first three paragraphs of the letter to the editor are included below with permission from the publication. To read the full articles, subscribers may click [here](#) and [here](#).

To the Editor:

I write to elaborate on one issue Lee Sheppard raised in her recent article, The Attack on Maltese Retirement Accounts.<sup>1</sup> As Sheppard explained, the proposed regulations (REG-106228-22) that would make certain Malta personal retirement scheme transactions a listed transaction contain a limited exception for British personal retirement account rollovers involving U.S. citizens. I applaud the IRS and Treasury for crafting an exception for what I believe is a sizable group of potentially affected taxpayers.

The preamble to the proposed regulations explains:

The Treasury Department and the IRS are aware that the United Kingdom allows tax-deferred transfers from its pension or retirement schemes to certain qualified recognized overseas pension schemes (or QROPS), including Malta personal retirement schemes. The Treasury Department and the IRS believe that certain U.S. individuals who may have transferred their foreign pension or retirement arrangements to Malta personal retirement schemes in accordance with foreign law and claimed an exemption from U.S. income tax for earnings in or distributions from such schemes on U.S. Federal income tax returns filed before the date these proposed regulations are published in the Federal Register should not be treated as participating in a listed transaction described in proposed section 1.6011- 12(b)(1) provided certain requirements are met.

Unfortunately, I think this is a case of good intentions gone awry.