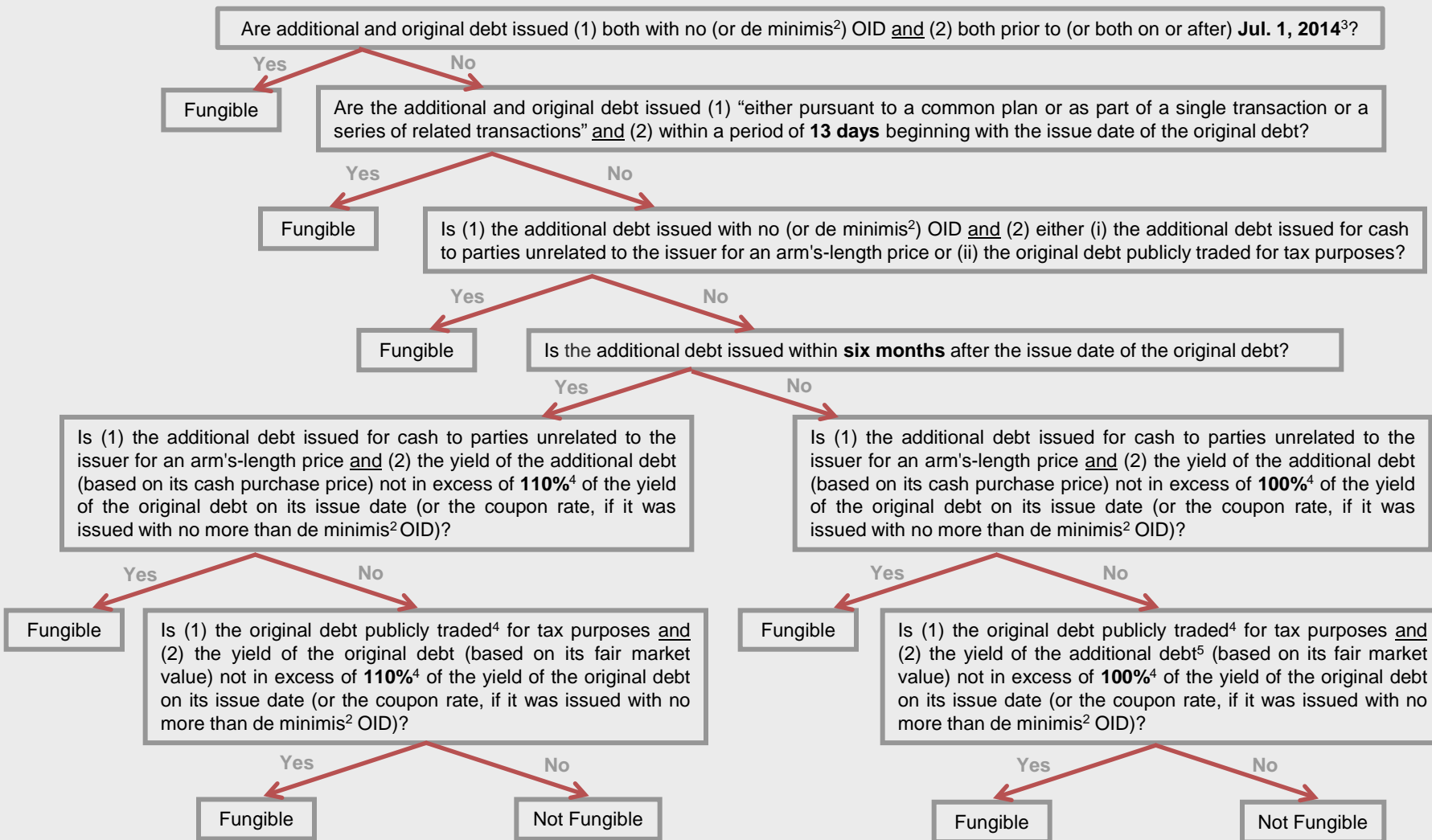


# Tax Fungibility In Tack-On Offerings

Summary as of Oct. 24, 2013.<sup>1</sup> This Flow Chart is not a substitute for legal advice or reading the applicable rules and regulations. Depending on your specific situation, answers other than those summarized below may be appropriate.

The following assumes that the additional debt and the original debt have identical terms.



<sup>1</sup> "Contingent payment debt instruments" and "tax-exempt obligations" are generally subject to different rules.

<sup>2</sup> OID (on a cash pay debt instrument) is generally de minimis if it is less than 25 bps times the number of complete years until maturity.

<sup>3</sup> FATCA grandfathering date is generally Jul. 1, 2014. Debt issued by foreign issuers may be subject to a different grandfathering date.

<sup>4</sup> The "publicly traded" status is determined, and the yield tests are applied, as of the earlier of (i) the pricing date and (ii) the date of the announcement (but, if the date of announcement is more than 7 days prior to pricing, as of the date that is 7 days prior to pricing).

<sup>5</sup> Tax practitioners are currently seeking guidance to confirm that the IRS actually intended to reference "original debt" in this instance (instead of "additional debt").