

# BBU Taxation Overview – Non-U.S. Investors – IRC 1446(f)

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- In May 2022, the U.S. Internal Revenue Service (“IRS”) released an advance version of Notice 2022-23 describing the requirement for some publicly traded partnerships (“PTPs”), brokers or qualified intermediaries to withhold 10% U.S. tax on the dispositions of PTPs units by certain investors after January 1, 2023
- PTPs not directly engaged in a trade or business within the United States are not captured by these requirements, so long as they can issue a qualified notice as set forth in the applicable regulations
- Brookfield Business Partners L.P. (“BBU”) holds its operating asset portfolio via corporate subsidiaries
- Due to the organizational structure, BBU and its unitholders are not expected to be directly engaged in a trade or business within the United States
- BBU issued and intends to continue to issue qualified notices in accordance with Treas. Reg. Sec. 1.1446(f)-4(b)(3)(iii), as applicable, describing BBU as not having engaged in a U.S. trade or business within the meaning of Treas. Reg. Sec. 1.1446(f)-4(b)(3)(ii)(A)(2)
- The purpose of the qualified notice, among other things, is to notify brokers and others that no withholding applies under Section 1446(f) of the United States Internal Revenue Code of 1986, as amended, to transfers of limited partnership units of BBU effected through a broker
  - Qualified notices will also be posted and retained on BBU’s [website](#)
- More information pertaining to Section 1446(f) may be found on BBU’s website, including a letter from Torys LLP ([BBU’s tax counsel in connection with its posting of a qualified notice within the meaning Treasury Regulations Section 1.1446-4\(b\)\(4\)](#))