

The revisions and additions read as follows:

§ 1.1411–10 Controlled foreign corporations and passive foreign investment companies.

* * * * *

(c) * * *

(3) *Application of sections 1248 and 367(b).* * * *

(i) In determining the amount of gain recognized on the sale or exchange of stock of a foreign corporation under section 1248(a) or the amount of gain realized on the exchange of stock of a foreign corporation under § 1.367(b)–4 or 1.367(b)–5, basis is determined in accordance with the provisions of paragraph (d) of this section; and

(ii) Section 1248(a), and § 1.367(b)–2(c)(1) and (d)(2)(ii) apply without regard to the exclusions for certain earnings and profits under section 1248(d)(1) and (6), except that those exclusions will apply with respect to the earnings and profits of a foreign corporation that are attributable to:

* * * * *

(d) * * *

(5) *Basis adjustments under section 367(b).* With respect to stock of a foreign corporation that is exchanged in a transaction subject to section 367(b), the portion of the basis increase provided by § 1.367(b)–2(e)(3)(ii) by reason of paragraph (c)(3)(ii) of this section is made solely for purposes of section 1411.

* * * * *

(i) * * * Paragraph (c)(3) of this section, to the extent it references regulations issued under section 367(b), and paragraph (d)(5) of this section, apply to transactions completed on or after October 5, 2023, and to any transactions treated as completed before October 5, 2023, as a result of an entity classification election made under § 301.7701–3 of this chapter that is filed on or after October 5, 2023.

Douglas W. O'Donnell,
Deputy Commissioner.

Approved: June 26, 2024.

Aviva R. Aron-Dine,
Acting Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. 2024–15232 Filed 7–17–24; 8:45 am]

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DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 587

Publication of Russian Harmful Foreign Activities Sanctions Regulations Determination

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of a determination.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing a services determination issued pursuant to an April 6, 2022 Executive Order. The determination was previously issued on OFAC's website.

DATES: The determination was issued on June 12, 2024. See **SUPPLEMENTARY INFORMATION** for additional relevant dates.

FOR FURTHER INFORMATION CONTACT:

OFAC: Assistant Director for Licensing, 202–622–2480; Assistant Director for Regulatory Affairs, 202–622–4855; or Assistant Director for Compliance, 202–622–2490.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: <https://ofac.treasury.gov>.

Background

On April 6, 2022, the President, invoking the authority of, *inter alia*, the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), issued Executive Order (E.O.) 14071 of April 6, 2022, “Prohibiting New Investment in and Certain Services to the Russian Federation in Response to Continued Russian Federation Aggression” (87 FR 20999, April 8, 2022). Among other prohibitions, section 1(a)(ii) of E.O. 14071 prohibits the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any category of services as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State, to any person located in the Russian Federation.

On June 12, 2024, pursuant to delegated authority, the Director of OFAC, in consultation with the Department of State, issued “Determination Pursuant to Section 1(a)(ii) of Executive Order 14071,” which determined that the prohibitions in section 1(a)(ii) of E.O. 14071 shall

apply to the following categories of services: information technology (IT) consultancy and design services; and IT support services and cloud-based services for the following categories of software: enterprise management software and design and manufacturing software.

The determination was made available on OFAC's website (<https://ofac.treasury.gov>) when it was issued. The text of the determination is below.

OFFICE OF FOREIGN ASSETS CONTROL

DETERMINATION PURSUANT TO SECTION 1(a)(ii) OF EXECUTIVE ORDER 14071

Prohibition on Certain Information Technology and Software Services

Pursuant to sections 1(a)(ii), 1(b), and 5 of Executive Order (E.O.) 14071 of April 6, 2022 (“Prohibiting New Investment in and Certain Services to the Russian Federation in Response to Continued Russian Federation Aggression”) and 31 CFR 587.802, and in consultation with the Department of State, I hereby determine that the prohibitions in section 1(a)(ii) of E.O. 14071 shall apply to the following categories of services:

(1) Information technology (IT) consultancy and design services; and
(2) IT support services and cloud-based services for the following categories of software: enterprise management software and design and manufacturing software (collectively, “Covered Software”).

As a result, the following activities are prohibited, except to the extent provided by law, or unless licensed or otherwise authorized by the Office of Foreign Assets Control:

The exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of IT consultancy and design services or of IT support services or cloud-based services for Covered Software to any person located in the Russian Federation.

This determination excludes the following:

(1) Any service to an entity located in the Russian Federation that is owned or controlled, directly or indirectly, by a United States person;

(2) Any service in connection with the wind down or divestiture of an entity located in the Russian Federation that is not owned or controlled, directly or indirectly, by a Russian person;

(3) Any service for software that is:

(i) Subject to the Export Administration Regulations, 15 CFR part 730 *et seq.*, (EAR) and for which the

exportation, reexportation, or transfer (in-country) to the Russian Federation of such software is licensed or otherwise authorized by the Department of Commerce; or

(ii) Not subject to the EAR and for which the exportation, reexportation, or transfer (in-country) to the Russian Federation of such software would be eligible for a license exception or otherwise authorized by the Department of Commerce if it were subject to the EAR.

This determination shall take effect beginning at 12:01 a.m. eastern daylight time on September 12, 2024.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

[FR Doc. 2024-15709 Filed 7-17-24; 8:45 am]

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DEPARTMENT OF EDUCATION

34 CFR Chapter VI

[Docket ID ED-2024-OPE-0065]

Research and Development Infrastructure Grant

AGENCY: Office of Postsecondary Education, Department of Education.

ACTION: Final priorities, requirements, and definitions.

SUMMARY: The Department of Education (Department) issues priorities, requirements, and definitions for use in the Research and Development Infrastructure (RDI) grant program. The Department may use one or more of these priorities, requirements, and definitions for competitions in fiscal year (FY) 2024 and later years. We intend for these priorities, requirements, and definitions to help Historically Black Colleges and Universities (HBCUs), Tribal Controlled Colleges and Universities (TCCUs), and Minority-Serving Institutions (MSIs) implement transformational investments in research infrastructure, including research productivity, faculty expertise, graduate programs, physical infrastructure, human capital development, and partnerships leading to increases in external funding.

DATES: These priorities, requirements, and definitions are effective August 19, 2024.

FOR FURTHER INFORMATION CONTACT:

Jason Cottrell, Ph.D., U.S. Department of Education, 400 Maryland Avenue SW, Room 5C122, Washington, DC 20202-4260. Telephone: (202) 453-7530. Email: Jason.Cottrell@ed.gov.

If you are deaf, hard of hearing, or have a speech disability and wish to

access telecommunications relay services, please dial 7-1-1.

SUPPLEMENTARY INFORMATION:

Purpose of Program: The RDI grant program is designed to provide HBCUs, TCCUs, and MSIs, including Asian American and Native American Pacific Islander Serving Institutions (AANAPISIs), Alaska Native and Native Hawaiian Serving Institutions (ANNH), Hispanic Serving Institutions (HSIs), Native American Serving Non-Tribal Institutions (NASNTIs), and Predominantly Black Institutions (PBIs), and consortia led by an eligible institution of higher education, with funds to implement transformational investments in research infrastructure, including research productivity, faculty expertise, graduate programs, physical infrastructure, human capital development, and partnerships leading to increases in external and sustained funding.

Assistance Listing Number: 84.116H.
Program Authority: 20 U.S.C. 1138-1138d.

We published a notice of proposed priorities, requirements, and definitions in the **Federal Register** on May 17, 2024 (89 FR 43352) (NPP). That document contained background information and the Department's reasons for proposing the particular priorities, requirements, and definitions. There is one substantive difference between the proposed priorities, requirements, and definitions and these final priorities, requirements, and definitions.

We have added Priority 5, as described below.

Public Comment: In response to our invitation in the NPP, six parties submitted comments on the proposed priorities, requirements, and definitions. Generally, we do not address technical and other minor changes, or suggested changes that the law does not authorize us to make under applicable statutory authority. In addition, we do not address general comments that raised concerns not directly related to the proposed priorities, requirements, or definitions.

Analysis of Comments and Changes: An analysis of the comments and of any changes in the priorities, requirements, and definitions since publication of the NPP follows.

Priorities

Comments: One commenter suggested that we modify Proposed Priority 1 to support schools that demonstrate intention and realistic capacity to move from any research status under the American Council on Education's Carnegie Classification System to classification as a Research College and

University (RCU) or a Doctoral University with High Research Activity (R2), rather than limiting support to RCU and R2 institutions seeking to move up to classification as R2 or Doctoral University with Very High Research Activity (R1), respectively. The commenter suggested that, if an applicant can demonstrate a realistic prospect of movement into R1, it already has a substantial level of research and development infrastructure and financial capacity.

Discussion: The purpose of the RDI grant program is to support institutions that have limited resources and diverse student enrollments—as the eligible entities, HBCUs, TCCUs, and MSIs, do—with funds to implement transformational investments in research infrastructure to move into R2 or R1 status. Attaining R2 or R1 status assists institutions with recruiting top students and faculty, funding top-of-the-line facilities to conduct research, and producing and disseminating cutting-edge knowledge. While we recognize that a wide range of institutions, regardless of Carnegie classification, could benefit from additional investments in research and development (R&D) infrastructure, the Department believes that these limited funds have the greatest potential to transform R&D infrastructure at institutions if they are targeted to support institutions in making steps towards R2 and R1 status under the Carnegie Classification System. The funding is designed to help institutions move towards R2 or R1 status, regardless of how close they are to achieving it.

Changes: None.

Comments: One commenter proposed amending Proposed Priority 4 to align the Pell Grant recipient threshold from the proposed 50 percent of undergraduate students to the current Department of Education Office of Postsecondary Education standards for Title III and Title V grant programs. The commenter stated that this change would, by aligning requirements across Department programs, ease administrative burden on institutions.

Discussion: The 50 percent Pell recipient threshold in Priority 4 is a higher bar than either of the metrics used for eligibility for titles III and V programs. To be designated as eligible to apply under the titles III and V programs, institutions must demonstrate high enrollment of needy students by meeting either of the following two criteria: (1) at least 50 percent of its degree-seeking students received financial assistance under the Federal Pell Grant, Federal Supplemental