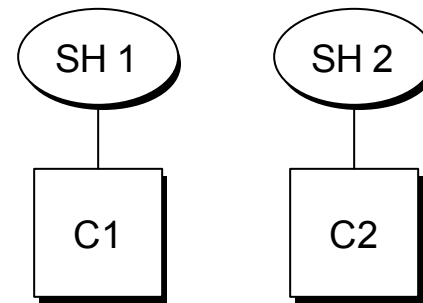
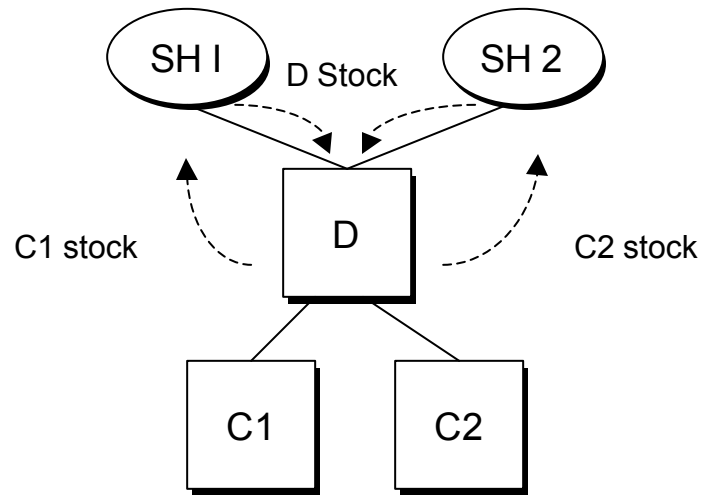
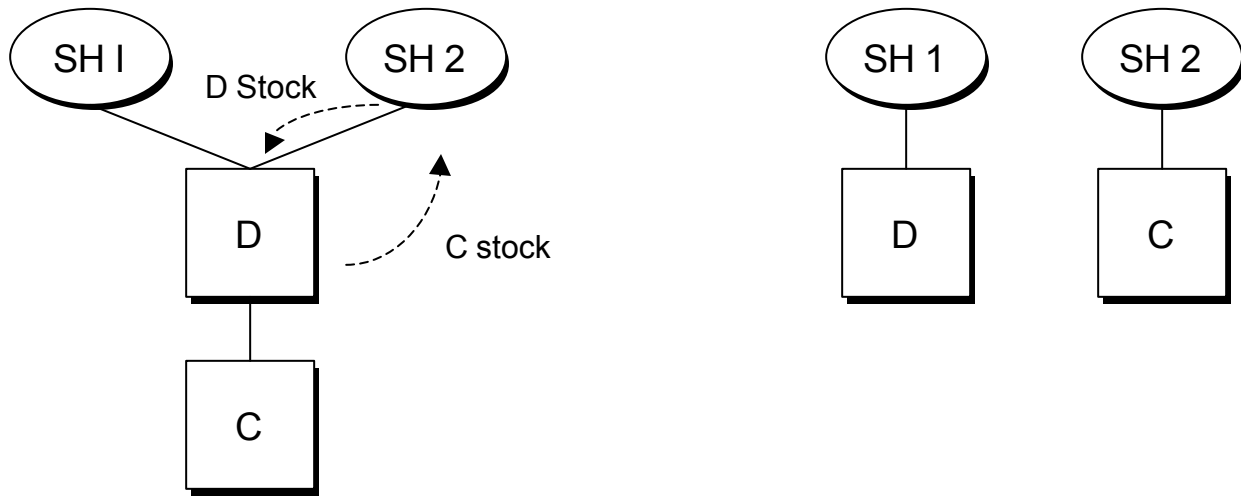


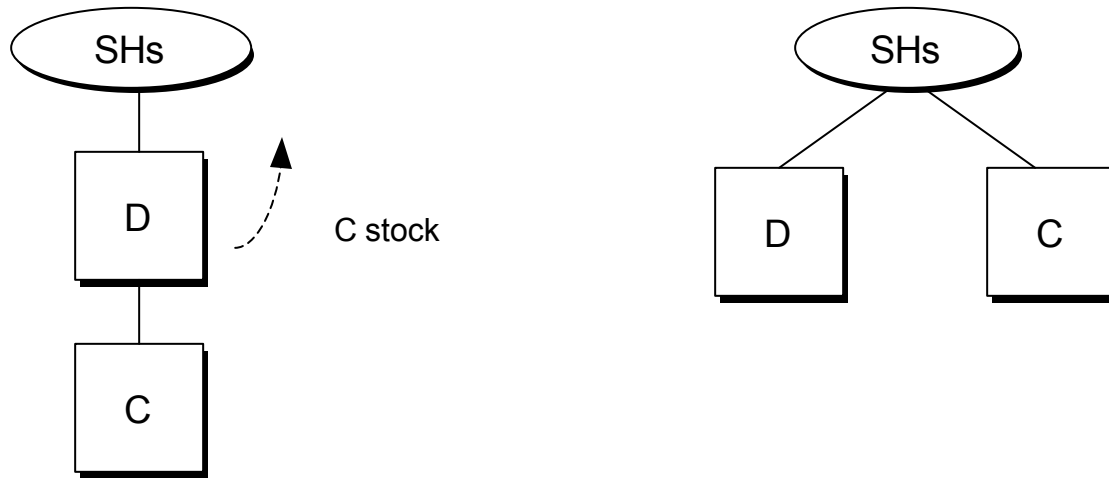
Split-up



Split-off

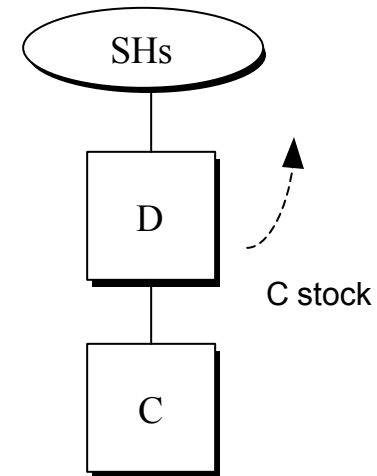


Spin-off



Section 355 Requirements

- “Control”
- Active trade or business
- Device
- Corporate business purpose
- Continuity of interest
- Continuity of business enterprise
- Disqualified distribution – section 355(d)
- Limitation on acquisitions in connection with spin-offs – section 355(e) and (f)



Spin-off to facilitate Acquisition of Distributing Company

Step 1: D transfers unwanted Business X to C

Step 2: D Distributes C to its shareholders

