



Insights

Tax Reform Act of 2014--Derivatives, Hedges and Other Financial Product and Securitization Relevant Provisions

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Federal income tax reform has been the subject of numerous congressional talking points and committee hearings over the last year. On February 26, 2014, Representative David Camp, chair of the House Ways and Means Committee, released draft legislation referred to as the Tax Reform Act of 2014 that proposes to amend major portions of the Internal Revenue Code to provide for comprehensive tax reform. An overarching goal of the proposed legislation is to reduce both corporate and individual tax rates to 25% or less and to pay for those rate reductions by eliminating many tax breaks.

The following is a summary of the proposed changes related to derivatives, hedges, other financial products and securitization. We have also prepared summaries of other provisions relevant to other topical areas. Although the Tax Reform Act of 2014 has not yet been formally introduced as a bill, and its prospects for passage are uncertain at this point, given the significant nature of the proposed reforms, we will monitor their progress and provide updates as warranted.