conferred by that title upon any designee of the President.

SEC. 2. The Attorney General is hereby designated as the officer in whom property shall vest under the said title II.

SEC. 3. As used in this order, the term “functions” includes duties, powers, responsibilities, authority, and discretion, and the term “perform” may be construed to include “exercise”.

§ 302.1–1 Definitions.

(a) General. When used in the regulations in this part, the terms defined in this section shall have the meaning so assigned to them. A term not defined herein shall have the meaning, if compatible with the context, imputed thereto under the internal revenue laws.

(b) Attorney General. The term “Attorney General” includes the officer in whom property is vested pursuant to title II of the International Claims Settlement Act of 1949, as amended. The term also includes the officer, including any Assistant Attorney General designated by the Attorney General for this purpose, designated and empowered pursuant to Executive Order No. 10644 to perform the functions conferred by title II upon the President of the United States and the functions conferred by such title upon the designee of the President.

(c) Commissioner. The term “Commissioner” means the Commissioner of Internal Revenue.

(d) Person. The term “person” includes a natural person, partnership, association, other unincorporated body, corporation, or body politic, having or claiming an interest in vested property or liable or charged with liability for internal revenue tax in connection with such property.

(e) Former owner. The term “former owner” means the owner immediately prior to vesting and any successor in interest by inheritance, devise, bequest, or operation of law, of such owner.

(f) Property. The term “property” means any property, right, or interest, including earnings, increment, or proceeds thereof.


(h) Tax. The term “tax” includes, but is not limited to, any property, income, excess-profits, war-profits, excise, estates, and employment tax, import duty, and special assessment; and also any interest, penalty, additional amount, or addition thereto not arising from any act, omission, neglect, failure, or delay on the part of the Attorney General.

§ 302.1–2 Application of regulations.

(a) Property covered. The regulations in this part are applicable in connection with property vested in the Attorney General pursuant to section 202 (a) of the Act and in connection with the net proceeds of any property described under section 202(b) of such Act which was vested in the Attorney General after December 17, 1941, pursuant to the Trading With the Enemy Act, as amended (40 Stat. 411).

(b) Taxes covered. The regulations in this part are applicable to any internal revenue tax with respect to (1) property vested in the Attorney General or any action or transaction incidental to such property, or (2) any person whose property is so vested or any action or transaction of such person, whether the tax is applicable in respect of the period of vesting or any other period.

§ 302.1–3 Protection of internal revenue prior to tax determination.

(a) Suits and claims for return of vested property—(1) General. The provisions of this paragraph apply in cases where there has been neither a final nor a tentative determination of internal revenue tax liability. See paragraphs (e) and (f) of § 302.1–4. In such case vested property (including property vested pursuant to section 202(a) of the Act which is subject to divestment by reason of its ownership by a natural person) shall not be returned or divested except in accordance with this paragraph.

(2) Notice to Commissioner—(i) Suits for recovery. Where suit for the return of vested property has been instituted pursuant to section 207(a) of the Act, the Attorney General shall within a reasonable time after answer has been filed or after beginning of the trial of
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the case notify the Commissioner in writing of the property involved and the name, address, citizenship, residence, and business organization of the claimant, and any other pertinent information.

(ii) Return without suit. Where the Attorney General has determined that pursuant to section 207(b) of the Act vested property is to be returned to the claimant, the Attorney General shall notify the Commissioner in writing in the manner prescribed in subdivision (i) of this subparagraph at least 90 days prior to any return of such property.

(3) Return of property—(i) By divestment. Where the Attorney General has determined that property vested pursuant to section 202(a) of the Act was directly owned by a natural person, the Attorney General shall not divest himself of such property and restore it to its blocked status prior to vesting unless there has been a determination of tax liability pursuant to §302.1–4 and a payment of such tax pursuant to §302.1–5.

(ii) Without security. Where vested property is the subject of a suit or proceeding pursuant to the Act, it may be returned without security prior to determination of applicable internal revenue taxes and prior to the judgment of the court or to the publication of the order of the Attorney General directing such return to the following described claimants under conditions hereinafter stated:

(a) Residents and domestic enterprises. In the case of claimants who at the time of return are (1) individuals permanently resident in the United States since December 7, 1941, or (2) corporations or other business enterprises organized under the laws of the United States, or any State, Territory, or possession thereof, or the District of Columbia, or doing business in the United States, the Attorney General may without notice to the Commissioner return the property at any time.

(b) Non-residents, etc. In the case of claimants who at the time of return are (1) individuals not permanently resident in the United States since December 7, 1941, or (2) nondomestic corporations or other nondomestic enterprises not doing business within the United States, the property may be returned not less than 90 days after notice by the Attorney General to the Commissioner in a case within subparagraph (2)(i) of this paragraph, or not less than 60 days after notice in a case within subparagraph (2)(ii) of this paragraph (a), unless within such time the Attorney General is advised otherwise by the Commissioner.

(iii) When security required. Except as provided in subdivisions (i) and (ii) of this subparagraph, vested property shall not be released prior to determination of tax liability without security satisfactory to the Commissioner, but determination of tax liability will be expedited in order that the release of the property or of the security shall not be unnecessarily delayed.

(4) Security. When security is required under subparagraph (3)(iii) of this paragraph (a), it shall be such of the following as the Commissioner considers necessary:

(i) Bond. A bond of the claimant conditioned upon payment of the full amount of internal revenue taxes determined to be due, filed with the district director in such amount, and with such sureties, as the Commissioner deems necessary. Only surety companies holding a certificate of authority from the Secretary of the Treasury may be used.

(ii) Collateral security. Collateral authorized by law deposited by the claimant in lieu of surety conditioned upon the payment of the full amount of internal revenue taxes determined to be due.

(iii) Reservation of assets. Monies, or if the monies are insufficient, so much of the other property involved, to be reserved by the Attorney General, as will be sufficient in the judgment of the Attorney General to cover any internal revenue tax liability determined by the Commissioner.

(b) Vested property subject to debt claims—(1) Notice to Commissioner. With respect to vested property available for the payment of debt claims pursuant to section 208 of the Act, and with respect to which debt claims have been filed, prior to the allowance of any such claims the Attorney General shall in writing notify the Commissioner of the property involved, the citizenship, residence, business organization and other
necessary information concerning the
debtor and the aggregate of debt claims
filed in respect thereof.

(2) Action by Commissioner. Upon re-
ceipt of the notice provided in subpara-
graph (1) of this paragraph (b), the
Commissioner shall, as soon as prac-
ticable and not later than 120 days
after receipt of notice, unless the time
is extended by the Commissioner after
notice to the Attorney General, (i) de-
termine the taxes payable by the At-
torney General in respect of the debtor,
or (ii) advise the Attorney General of
the provision, if any, to be made by
him for payment of taxes with respect
of the debtor.

§ 302.1–4 Computation of taxes.

(a) Detail of employees of the Internal
Revenue Service. The Commissioner will
detail for the assistance of the Attor-
ney General such employees of the In-
ternal Revenue Service as may be nec-
essary to make the computations
under the regulations in this part
promptly and accurately.

(b) Relationship of Attorney General
and former owner. In the computation
of tax liability under the regulations in
this part, except as otherwise provided
herein, the vesting of property shall
not be considered as affecting the own-
ership thereof; and any act of the At-
torney General in respect of such prop-
erty (including the collection or oper-
ation thereof and any investment, sale,
or other disposition and any payment
or other expenditure) shall be consid-
ered as the act of the owner. Neverthe-
less, except as otherwise provided in
the Act or the regulations applicable thereto, including all
amendments of such laws or regula-
tions enacted or promulgated prior to
determination of the tax.

(d) Periods for which computations
made. The amount of income, declared
value excess profits, excess profits,
capital stock, employment, and excise
taxes under the internal revenue laws
will be computed for each taxable year
or period during all or part of which
property is vested prior to the return
of the property. In the case of a return
of property prior to computation of
tax, see §302.1–3. Where vesting occurs
during a taxable year or taxable period,
you any return filed or computation made
covering vested or nonvested property
should nevertheless be for the entire
year or period. See paragraph (b) of
this section. Unless facts are available
indicating a liability for taxes for a
taxable year or period occurring wholly
prior or subsequent to the period of
vesting of the property by the Attor-
ney General, the computations under
the regulations in this part, both ten-
tative and final, will be made only in
respect of years and periods during all
or part of which the property is held by
the Attorney General.

(e) Tentative computation. In order
that the return of property or other ap-
propriate action may not be delayed
until the amount of taxes payable is fi-
nally computed and paid, a tentative
computation of such amount will be
made in every case, unless there are