controlled commercial entity. The portion of K's distributive share of income from Opco, however, that is derived from commercial activity will not be exempt from tax under section 892.

(e) *Applicability date.* Except as otherwise provided in this paragraph (e), this section applies to taxable years beginning on or after December 15, 2025. *See* §§ 1.892–5 and 1.892–5T, as contained in 26 CFR in part 1 in effect on April 1, 2025, for the rules that apply to taxable years beginning before December 15, 2025. A taxpayer may choose to apply this section to a taxable year beginning before December 15, 2025, if the period of limitations on assessment of the taxable year is open under section 6501 and the taxpayer and entities that are related (within the meaning of section 267(b) or section 707(b)) to the taxpayer apply this section and §§ 1.892–3(a)(4) and 1.892–4 in their entirety to the taxable year and all succeeding taxable years beginning before December 15, 2025. The rule in paragraph (a)(1)(ii) of this section applies on or after January 14, 2002.

■ **Par. 8.** Section 1.892–5T is amended by:

■ a. Revising paragraph (a), the heading of paragraph (b), and paragraph (b)(1);

■ b. Removing and reserving paragraph (d)(3); and

■ c. Revising paragraph (d)(4).

The revisions read as follows:

§ 1.892–5T Controlled commercial entity (temporary regulations).

(a) *In general.* For further guidance, *see* § 1.892–5(a).

(b) *Entities treated as engaged in commercial activity*—(1) *U.S. real property holding corporations.* For further guidance, *see* § 1.892–5(b)(1).

* * * * *

(d) * * *

(4) *Illustrations.* The principles of this section may be illustrated by the following examples.

(i) *Example 1.* (A) The Ministry of Industry and Development is an integral part of a foreign sovereign under § 1.892–2T(a)(2). The Ministry is engaged in commercial activity within the United States. In addition, the Ministry receives income from various publicly traded stocks and bonds, soybean futures contracts and net leases on U.S. real property. Since the Ministry is an integral part, and not a controlled entity, of a foreign sovereign, it is not a controlled commercial entity within the meaning of paragraph (a) of this section. Therefore, income described in § 1.892–3T is ineligible for exemption under section 892 only to the extent derived from the conduct of commercial activities. Accordingly, the Ministry's income from the stocks and bonds is exempt from U.S. tax.

(B) The facts are the same as in paragraph (d)(4)(i)(A) of this section, except that the Ministry also owns 75 percent of the stock of R, a U.S. holding company that owns all the stock of S, a U.S. operating company engaged in commercial activity. Ministry's dividend income from R is income received indirectly from a controlled commercial entity. The Ministry's income from the stocks and bonds, with the exception of dividend income from R, is exempt from U.S. tax.

(C) The facts are the same as in paragraph (d)(4)(i)(A) of this section, except that the Ministry is a controlled entity of a foreign sovereign. Since the Ministry is a controlled entity and is engaged in commercial activity, it is a controlled commercial entity within the meaning of paragraph (a) of this section, and none of its income is eligible for exemption.

(ii) *Example 2.* (A) Z, a controlled entity of a foreign sovereign, has established a pension trust under the laws of the sovereign as part of a pension plan for the benefit of its employees and former employees. The pension trust (T), which meets the requirements of § 1.892–2T(c), has investments in the U.S. in various stocks, bonds, annuity contracts, and a shopping center which is leased and managed by an independent real estate management firm. T also makes securities loans in transactions that qualify under section 1058. T's investment in the shopping center is not considered an unrelated trade or business within the meaning of section 513(b). Accordingly, T will not be treated as engaged in commercial activities. Since T is not a controlled commercial entity, its investment income described in § 1.892–3T, with the exception of income received from the operations of the shopping center, is exempt from taxation under section 892.

(B) The facts are the same as paragraph (d)(4)(ii)(A) of this section, except that T has an interest in a limited partnership (that is not a qualified partnership interest within the meaning of § 1.892–5(d)(5)(iii)) which owns the shopping center. The shopping center is leased and managed by the partnership rather than by an independent management firm. Managing a shopping center, directly or indirectly through a partnership of which a trust is a member, would be considered an unrelated trade or business within the meaning of section 513(b) giving rise to unrelated business taxable income. Since the commercial activities of a partnership are attributable to its partners, T will be treated as engaged in commercial activity and thus will be considered a controlled commercial entity. Accordingly, none of T's income will be exempt from taxation under section 892.

(C) The facts are the same as paragraph (d)(4)(ii)(A) of this section, except that Z is a controlled commercial entity. The result is the same as in paragraph (d)(4)(ii)(A) of this section.

(iii) *Example 3.* (A) The Department of Interior, an integral part of foreign sovereign FC, wholly owns corporations G and H. G, in turn, wholly owns S. G, H and S are each controlled entities. G, which is not engaged in commercial activity anywhere in the world, receives interest income from deposits in banks in the United States. Both H and S do not have any investments in the U.S. but are both engaged in commercial activities. However, only S is engaged in commercial activities within the United States. Because neither the commercial activities of H nor the commercial activities of S are attributable to the Department of Interior or G, G's interest income is exempt from taxation under section 892.

(B) The facts are the same as paragraph (d)(4)(iii)(A) of this section, except that G rather than S is engaged in commercial activities and S rather than G receives the interest income from the United States. Since the commercial activities of G are attributable to S, S's interest income is not exempt from taxation.

Frank J. Bisignano,

Chief Executive Officer.

Approved: October 30, 2025

Kenneth J. Kies,

Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. 2025–22776 Filed 12–12–25; 8:45 am]

BILLING CODE 4831–GV–P

DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

30 CFR Part 550

Oil and Gas and Sulfur Operations in the Outer Continental Shelf

CFR Correction

This rule is being published by the Office of the Federal Register to correct an editorial or technical error that appeared in the most recent annual revision of the Code of Federal Regulations.

■ In Title 30 of the Code of Federal Regulations, parts 200 to 699, revised as of July 1, 2025, in section 550.105, reinstate the definition of ''*Arctic OCS*'' after the definition of ''*Archaeological resource*'' to read as follows:

§ 550.105 Definitions.

* * * * *

Arctic OCS means the Beaufort Sea and Chukchi Sea Planning Areas (for more information on these areas, see the Proposed Final OCS Oil and Gas Leasing Program for 2012–2017 (June 2012) at *http://www.boem.gov/Oil-and-Gas-Energy-Program/Leasing/Five-Year-Program/2012-2017/Program-Area-Maps/index.aspx*).

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[FR Doc. 2025–22767 Filed 12–12–25; 8:45 am]

BILLING CODE 0099–10–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR Part 3170

[A2407–014–004–065516; #O2509–014–004–125222]

RIN 1004–AF51

Waste Prevention, Production Subject to Royalties, and Resource Conservation; Extension of Phase-In Requirements

AGENCY: Bureau of Land Management, Interior.

ACTION: Direct final rule; request for comments.

SUMMARY: The Bureau of Land Management (BLM, we) is promulgating this direct final rule (DFR) to amend its regulations to extend the phase-in dates for compliance with regulations related to both measurement-and-sampling requirements for high-pressure flares and the submission of Leak Detection and Repair (LDAR) programs.

DATES: This DFR is effective on February 13, 2026, unless significant adverse comments are received by January 14, 2026. If significant adverse comments are received, notice will be published in the **Federal Register** before the effective date either withdrawing the rule or issuing a new final rule that responds to any significant adverse comments.

FOR FURTHER INFORMATION CONTACT: John Ajak, Deputy Division Chief, BLM HQ–310 Division of Fluid Minerals, email: *jajak@blm.gov;* telephone: 505–549–9654; or Amanda Fox, Petroleum Engineer, email: *afox@blm.gov;* telephone: 907–538–2300.

Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

For a summary of the final rule, please see the abstract description of the document in Docket Number BLM–2025–0268 on *www.regulations.gov.*

ADDRESSES: You may submit comments by one of the following methods:

- *Federal eRulemaking Portal: https://www.regulations.gov.* In the Search box, enter the Docket Number ''BLM–2025–0268'' and click the ''Search'' button. Follow the instructions at this website.
- *Mail, personal, or messenger delivery:* U.S. Department of the Interior, Director (630), Bureau of Land Management, 1849 C St. NW, Room 5646, Washington, DC 20240, Attention: 1004–AF51.

SUPPLEMENTARY INFORMATION: The BLM is responsible for managing over 245 million surface acres of land, primarily located in 12 Western States, and 700 million acres of subsurface mineral estate, located throughout the United States. The BLM maintains a program for leasing these lands for oil and gas development and regulates oil and gas production on Federal leases. While the BLM does not manage the leasing of Indian lands for oil and gas production, it does regulate oil and gas operations on many Indian leases under the Secretary's statutory and Tribal trust responsibilities.

Venting and flaring of natural gas on Federal and Indian lands managed by the BLM, as well as determinations of royalties due on lost gas, are currently governed by 43 CFR subpart 3179 in all States except North Dakota, Montana, Wyoming, Utah and Texas, where the rule has been enjoined by the District Court for the District of North Dakota. *See North Dakota* v. *Interior,* 2024 U.S. Dist. LEXIS 164665 (Sep. 12, 2024). The BLM published a final rule on April 10, 2024 (89 FR 25378) that, among other topics, updated the measurement-and sampling requirements for flares, and created Leak Detection and Repair (LDAR) program requirements.

The BLM seeks to delay the following requirements as we are pursuing a separate but related proposed rulemaking in the coming months that could significantly change the timelines for these requirements. This delay will provide operators with relief while the BLM pursues these changes.

The enforcement deadlines being extended are currently as follows:

43 CFR 3179.71(f)—for monthly flaring volumes less than 6,000 Mcf and greater than or equal to 1,050 Mcf. These regulations require operators to have measurement devices and sampling in place for flares with monthly flaring volumes within the noted range by December 10, 2025.

43 CFR 3179.100(d)—submission of statewide LDAR program. This regulation requires operators on Federal or Indian leases to maintain and submit an ''administrative statewide LDAR program'' for applicable leases to the appropriate BLM state office(s). For leases that were in effect on June 10, 2024, § 3179.100(d) requires operators to submit the required LDAR program to the applicable BLM state office no later than December 10, 2025.

This DFR will extend the deadline to comply with these two requirements to December 10, 2026. Other compliance deadlines for high-pressure flares with monthly flaring volumes greater than or equal to 6,000 Mcf and less than 30,000 Mcf (in effect since June 10, 2025), and flares with monthly flaring volumes greater than 30,000 Mcf (in effect since December 10, 2024) remain in effect and, to the best of the BLM's knowledge, operators are in compliance.

This rule is consistent with broader energy policy goals, as reflected in Executive Order (E.O.) 14154, ''Unleashing American Energy,'' 90 FR 8353 (Jan. 20, 2025), and E.O. 14156, ''Declaring a National Energy Emergency,'' 90 FR 8433 (Jan. 20, 2025), which emphasize:

- Reducing regulatory burdens on domestic energy producers;
- Streamlining compliance timelines to avoid unnecessary disruptions to operations; and
- Encouraging capital investment in exploration and production by minimizing near-term financial strain.

This action reflects the Department of the Interior's commitment to regulatory certainty, economic growth, and responsible resource development. It does not alter the requirements of the rule, only the compliance deadlines.

Procedural Matters

Executive Order (E.O.) 12866—Regulatory Planning and Review and E.O. 13563—Improving Regulation and Regulatory Review

E.O. 12866 provides that the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget (OMB) will review all significant