

1 *United States shall be treated as effectively connected*
 2 *with the conduct of a trade or business within the*
 3 *United States if it either—*

4 *“(i) consists of dividends, interest, or*
 5 *royalties paid by a foreign corporation in which*
 6 *the taxpayer owns (within the meaning of*
 7 *section 958(a)), or is considered as owning*
 8 *(by applying the ownership rules of section*
 9 *958(b)), more than 50 percent of the total*
 10 *combined voting power of all classes of stock*
 11 *entitled to vote, or*

12 *“(ii) is subpart F income within the mean-*
 13 *ing of section 952(a).*

14 *“(5) RULES FOR APPLICATION OF PARAGRAPH*
 15 *(4)(B).—For purposes of subparagraph (B) of para-*
 16 *graph (4)—*

17 *“(A) in determining whether a nonresident*
 18 *alien individual or a foreign corporation has an of-*
 19 *fice or other fixed place of business, an office or other*
 20 *fixed place of business of an agent shall be disre-*
 21 *garded unless such agent (i) has the authority to ne-*
 22 *gotiate and conclude contracts in the name of the*
 23 *nonresident alien individual or foreign corporation*
 24 *and regularly exercises that authority or has a stock*
 25 *of merchandise from which he regularly fills orders*