

(A) Upon the death, disability, or mental incompetence of the partner; or
 (B) Upon the retirement or termination of the performance of services of an individual who actively participated in the management of, or performed services on a full-time basis for, the partnership;

(viii) Transfers pursuant to a closed end redemption plan (as defined in paragraph (d)(4) of this section); and

(ix) Transfers by one or more partners of interests representing more than 50 percent of the total interests in partnership capital and profits in one transaction or a series of related transactions.

(2) *Block transfers.* For purposes of paragraph (d)(1)(vi) of this section, a block transfer means the transfer by a partner in one or more transactions during any 30 calendar day period of partnership interests representing in the aggregate more than 2 percent of the total interests in partnership capital or profits.

(3) *Redemption or repurchase agreement.* For purposes of section 7704(b) and this section, a redemption or repurchase agreement means a plan of redemption or repurchase maintained by a partnership whereby the partners may tender their partnership interests for purchase by the partnership, another partner, or a person related to another partner (within the meaning of section 267(b) or section 707(b)(1)).

(4) *Closed end redemption plan.* For purposes of paragraph (d)(1)(viii) of this section, a redemption or repurchase agreement (as defined in paragraph (d)(3) of this section) is a closed end redemption plan if—

(i) The partnership does not issue any interest after the initial offering (other than the issuance of additional interests prior to August 5, 1988); and

(ii) No partner or person related to any partner (within the meaning of section 267(b) or 707(b)(1)) provides contemporaneous opportunities to acquire interests in similar or related partnerships which represent substantially identical investments.

(e) *Redemption and repurchase agreements.* For purposes of section 7704(b) and this section, the transfer of an interest in a partnership pursuant to a redemption or repurchase agreement (as defined in paragraph (d)(3) of this section) that is not described in paragraph (d)(1) (vii) or (viii) of this section is disregarded in determining whether interests in the partnership are readily tradable on a secondary market or the substantial equivalent thereof only if—

(1) The redemption or repurchase agreement requires receipt of written

notification from the transferor partner by the partnership or a partner (or an agent thereof) at least 60 calendar days before the redemption or repurchase date of such partner's intention to exercise the redemption or repurchase right;

(2) Either—

(i) The redemption or repurchase agreement requires that the redemption or repurchase price not be established until at least 60 calendar days after receipt of such notification by the partnership or the partner; or

(ii) The redemption or repurchase price is established not more than 4 times during the partnership's taxable year; and

(3) The sum of the percentage interests in partnership capital or profits transferred during the taxable year of the partnership (other than in private transfers described in paragraph (d) of this section) does not exceed 10 percent of the total interests in partnership capital or profits.

(f) *Qualified matching services—(1) In general.* For purposes of section 7704(b) and this section, the transfer of an interest in a partnership through a qualified matching service is disregarded in determining whether interests in the partnership are readily tradable on a secondary market or the substantial equivalent thereof.

(2) *Requirements.* A matching service is a qualified matching service only if—

(i) The matching service consists of a computerized or printed listing system that lists customers' bid and/or ask prices in order to match partners who want to sell their interests in a partnership (the selling partner) with persons who want to buy those interests;

(ii) Matching occurs either by matching the list of interested buyers with the list of interested sellers or through a bid and ask process that allows interested buyers to bid on the listed interest;

(iii) The selling partner cannot enter into a binding agreement to sell the interest until the 15th calendar day after the date information regarding the offering of the interest for sale is made available to potential buyers and such time period is established by contemporaneous records maintained by the operator at a central location;

(iv) The closing of the sale effected by virtue of the matching service does not occur prior to the 30th calendar day after the first day that the selling partner can enter into a binding agreement to sell the interest (as specified in paragraph (f)(2)(iii) of this section) and such time period is established by

contemporaneous records maintained by the operator at a central location;

(v) The matching service displays only quotes that do not commit any person to buy or sell a partnership interest (nonfirm price quotes) or quotes that express interest in a partnership interest without an accompanying price (nonbinding indications of interest) and does not display quotes at which any person is committed to buy or sell a partnership interest (firm quotes) or two-sided quotes;

(vi) The operator of the matching service (or any person related to the operator within the meaning of section 267(b) or section 707(b)(1)) does not quote prices at which the operator (or a related person) stands ready to buy or sell partnership interests for itself or on behalf of others, make such quotes available to the public (or customers or subscribers), or buy or sell interests for itself or on behalf of others;

(vii) The matching service obtains written representations from any subscribers to the service that—

(A) The subscriber and its customers will not create or facilitate a secondary market (within the meaning of paragraph (c)(2) of this section) for any partnership interest listed on the matching service; and

(B) The subscriber, acting for its own account or on behalf of the same investor, will not enter offers for interests in the same partnership more than once in any 15 calendar day period;

(viii) The selling partner's information is removed from the matching service within 120 calendar days after the date information regarding the offering of the interest for sale is made available to potential buyers and, following any removal (other than removal by reason of a sale of any part of such interest) of the selling partner's information from the matching service, no interest in the partnership is entered into the matching service by the selling partner for at least 60 calendar days; and

(ix) The sum of the percentage interests in partnership capital or profits transferred during the taxable year of the partnership (other than in private transfers described in paragraph (d) of this section) does not exceed 10 percent of the total interests in partnership capital or profits.

(3) *Closing.* For purposes of paragraph (f)(2)(iv) of this section, the closing of a sale occurs no later than the earlier of—

(i) The passage of title to the partnership interest;

(ii) The payment of the purchase price; or

(iii) The date, if any, that the operator of the matching service (or any person