

<?xml encoding="UTF-8">

9.108-1 Definitions.

As used in this section-

Inverted domestic corporation means a foreign incorporated entity that meets the definition of an *inverted domestic corporation* under [6 U.S.C. 395\(b\)](#), applied in accordance with the rules and definitions of [6 U.S.C. 395\(c\)](#).

Subsidiary means an entity in which more than 50 percent of the entity is owned-

- (1) Directly by a parent corporation; or
- (2) Through another *subsidiary* of a parent corporation.

Parent topic: [9.108 Prohibition on contracting with inverted domestic corporations.](#)