

MEMO# 32966

December 4, 2020

For Your Review: Draft ICI Global Comments on OECD Blueprints on Pillars One and Two

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December 4, 2020 TO: ICI Global Tax Committee

Tax Committee RE: For Your Review: Draft ICI Global Comments on OECD Blueprints on Pillars One and Two

Attached for your review are draft ICI Global comments on the OECD Inclusive Framework on BEPS' "Blueprints" for addressing the tax challenges of the digitalizing economy.^[1] These Blueprints are part of the OECD's effort to develop a consensus approach for addressing nexus and profit allocation issues ([Pillar One](#)) and crafting a global minimum tax ([Pillar Two](#)).^[2]

Our draft comments on Pillar One support strongly the complete exemption from Amount A allocations that is provided for the asset management industry. We summarize briefly the points made in our submission on an earlier Pillar One consultation^[3] that support this "scope" exemption. The draft comments also respond directly to the minority view noted in the Blueprint that asset managers are insufficiently regulated to be exempt under Pillar One. Specifically, the draft comments discuss the regulatory regime applicable to the asset management sector and the substantial complexity that would arise if asset management were in scope while the banking and insurance sectors are out of scope.

Our draft comments on Pillar Two support the Blueprint's Investment Fund exemption and additional guidance necessary to prevent inappropriate taxation of certain unique structures. We summarize briefly the points made in our submission on an earlier Pillar Two consultation^[4] that support the Investment Fund exemption. The draft comments also address one minor drafting point about the number of investors in a fund and urge relief for tiered structures in which the fund is not the ultimate parent entity.

Please provide all comments on this draft submission to Katie Sunderland (katie.sunderland@ici.org or 202-326-5826) and the undersigned (lawson@ici.org or 202-957-7226) by Thursday, December 10. The OECD requires that all comments on the Blueprints be submitted by Monday, December 14. This draft submission also will be discussed during the Committee call on Wednesday, December 9.

Keith Lawson
Deputy General Counsel - Tax Law

[Attachment](#)

endnotes

- [\[1\]](#) See Institute [Memorandum No. 32827](#), dated October 13, 2020.
- [\[2\]](#) See Institute [Memorandum No. 32199](#), dated February 7, 2020.
- [\[3\]](#) See Institute [Memorandum No. 32049](#), dated November 12, 2019.
- [\[4\]](#) See Institute [Memorandum No. 32072](#), dated December 2, 2019.

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