

**MEMO# 31330**

August 15, 2018

# **For Your Review -- Draft Letter to Swiss Government Proposing Procedures by Which US Funds Establish Treaty Eligibility**

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August 15, 2018 TO: Tax Committee RE: For Your Review -- Draft Letter to Swiss Government Proposing Procedures by Which US Funds Establish Treaty Eligibility

ICI Global has been engaged with the Swiss Ministry of Finance to advance additional methods by which US funds taxed as regulated investment companies (RICs) can establish that they are owned by US persons. On June 18, 2018, the Swiss addressed sources for information regarding investors' tax residences, methodologies for calculating treaty relief, and beneficial owner information.[\[1\]](#) The Swiss letter expanded upon the clarifications provided to ICI Global last September[\[2\]](#) and sought to "structure and formalize the process" by which RICs claim treaty relief.

The attached DRAFT submission — **for your review** — follows up on a few of the points made in the June letter. Specifically, the response recognizes the confirmations and clarifications provided, including that extrapolation is permitted so long as 50% or more of a RIC's shares are held directly and that RICs may utilize information from different sources to determine the tax residence of investors. The response also requests further clarifications regarding the requirement to verify information provided by a broker or intermediary, information to be provided by proxy solicitation firms, sales restrictions, financial statements and prospectuses, and the treatment of trusts, foundations, partnership, estates and joint accounts.

Please review the submission and provide us input on whether the requested confirmations and clarifications would improve the ability of your RICs to receive full treaty relief.

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## [Attachment](#)

### **endnotes**

[1] See [Institute Memorandum No. 31251](#), dated June 19, 2018.

[2] See Institute [Memorandum No. 30865](#), dated September 7, 2017.

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