

**MEMO# 28409**

September 26, 2014

## **Letter to Belgium for Your Review Regarding EU Reclaims**

[28409]

September 26, 2014

TO:

TAX COMMITTEE No. 30-14  
INTERNATIONAL COMMITTEE No. 29-14

RE:

LETTER TO BELGIUM FOR YOUR REVIEW REGARDING EU RECLAIMS

Attached for your review is a draft letter from the ICI to the Belgian tax authorities, which establishes that U.S. mutual funds are comparable to UCITS funds and therefore are entitled to the same withholding tax exemption that Belgium provides to its own funds and to non-Belgian UCITS. The ICI met with the Belgian authorities on September 18th to discuss the claims filed by U.S. funds for recovery of previously withheld Belgian taxes.

The ICI's letter and accompanying memo detail how U.S. mutual funds and Belgian UCITS are "objectively comparable" under Article 63 of the Treaty on the Functioning of the European Union. The letter also contains our proposed method for verifying promptly that U.S. funds seeking refunds meet all of the requirements set out by Belgium in their relevant tax Circular. The letter proposes that in order to verify that a RIC claiming refunded tax is covered by the Circular, the RIC should be required to certify only that it:

- (1) is registered under the 1940 Act as an open-end investment company, and thereby subject to the extensive regulatory regime administered by the SEC;
- (2) is taxed as a RIC under the U.S. Internal Revenue Code; and
- (3) did not reduce its U.S. federal income tax liability by taking a foreign tax credit for any taxes paid to Belgium.

In the interest of responding promptly to the requests made in the ICI's meeting with Belgium, please provide any comments on the draft letter to Ryan Lovin ([ryan.lovin@ici.org](mailto:ryan.lovin@ici.org) or 202-326-5826) or Keith Lawson ([Lawson@ici.org](mailto:Lawson@ici.org) or 202-326-5832) by noon on Thursday, October 2, 2014.

Ryan Lovin  
Assistant Counsel – Tax Law

[Attachment no. 1 \(Draft Letter\)](#)

[Attachment no. 2 \(Accompanying Memo\)](#)

[Attachment no. 3 \(Proposed Withholding Taxes Reclaim Assessment Checklist for U.S. RICs\)](#)

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