

MEMO# 31429

October 9, 2018

For Your Review: Korea - Proposed OIV Tax Regime - ICI Global Follow-Up Letter -- DRAFT

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October 9, 2018 TO: Tax Committee RE: For Your Review: Korea - Proposed OIV Tax Regime - ICI Global Follow-Up Letter -- DRAFT

The attached draft, for your review, follows upon on comments that ICI Global filed in August regarding a July 2018 Korean Ministry of Economy and Finance proposal to treat certain overseas investment vehicles (OIVs) as beneficial owners for tax treaty purposes. Most notably, the proposal removes the provision of current law that defines a “foreign corporation” as an entity that owns an asset, becomes party to a lawsuit, or directly holds a right or owes an obligation, independent of its members. If enacted, the law will become effective as of January 1, 2020.

Our August comment letter^[1] raised a few issues for which clarification would be needed. This draft follow-up submission expands on a few of our initial points. Specifically, the letter explains why (1) all regulated investment companies (RICs) should be treated as deemed beneficial owners, including RICs organized as business trusts, and (2) the requirement that RICs provide a jurisdiction summary of investors should be eliminated.

Please review the submission and provide any comments on the draft letter to me (katie.sunderland@ici.org or 202-326-5826) no later than Tuesday, October 23, 2018.

Katie Sunderland
Counsel - Tax Law

[Attachment](#)

endnotes

^[1] See Institute Memorandum [31336](#), dated August 16, 2018.

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