

**MEMO# 32057**

November 14, 2019

## **For Your Review - DRAFT Submission to OECD on Pillar Two Proposal**

[32057]

November 14, 2019 TO: ICI Global Tax Committee  
Management Company Tax Subcommittee

Tax Committee RE: For Your Review - DRAFT Submission to OECD on Pillar Two Proposal

The attached draft ICI Global submission for your review responds to the [consultation document](#) released by the Secretariat to the Organisation for Economic Co-operation and Development (OECD) on the Pillar 2 Global Anti-Base Erosion (GloBE) proposal. The GloBe proposal calls for the development of a coordinated set of rules to ensure that multinational entity (MNE) profits are taxed at some minimum rate.

The draft submission urges the OECD to carve out collective investment vehicles (CIVs) from the Pillar 2 GloBe proposal. Specifically, the letter explains that CIVs should be outside the scope of Pillar 2 because they are not internationally operating businesses but instead are passive investment pools. The submission also describes why a “subject to tax” rule could be problematic for CIVs – particularly if the total tax paid by CIVs in the source and domicile jurisdiction were determinative.

Please review the draft submission at your earliest convenience and provide comments to Keith Lawson (at [lawson@ici.org](mailto:lawson@ici.org) or 1-202-326-5832) or the undersigned (at [katie.sunderland@ici.org](mailto:katie.sunderland@ici.org) or 1-202-326-5836) no later than Tuesday, November 26.

Katie Sunderland  
Assistant General Counsel

[Attachment](#)

should not be considered a substitute for, legal advice.