

**MEMO# 31924**

August 28, 2019

# **ICI Global Submission to OECD Urging Exemption for Funds from "Pillar 2" Minimum Tax Proposal**

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August 28, 2019 TO: ICI Members

ICI Global Members SUBJECTS: International/Global

Tax RE: ICI Global Submission to OECD Urging Exemption for Funds from "Pillar 2" Minimum Tax Proposal

ICI Global today responded to an Organisation for Economic Co-operation and Development (OECD) initiative to address "tax challenges" arising from the "digitalizing" economy. The fundamental changes to the international tax regime being considered by the OECD, as described in the attached memorandum, would:

1. allocate taxing rights based upon activities within a market jurisdiction and without regard to a physical presence (the "Pillar 1" proposal) and;
2. ensure that multinational entity (MNE) profits are taxed at some minimum rate (the "Pillar 2" proposal).

The proposals under consideration, in general, have the greatest potential to impact asset managers. Various aspects of the proposals, however, are sufficiently undefined that the treatment of regulated funds (collective investment vehicles or CIVs) could be called into question.

ICI Global's submission urged the OECD to carve out CIVs from the Pillar 2 "GloBE" (global anti-base erosion) proposal. The submission identifies a few areas that the OECD is considering "exploring" as potentially "problematic" and explains why CIVs do not present the concerns targeted by this minimum tax proposal.

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[Attachment No. 1](#)

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