

MEMO# 30809

July 31, 2017

ICI Global Letter to Swiss Government on Tax Treaty Relief

[30809]

July 31, 2017 TO: ICI Members
Investment Company Directors
ICI Global Members SUBJECTS: International/Global
Tax RE: ICI Global Letter to Swiss Government on Tax Treaty Relief

ICI Global has been engaged with the Swiss Ministry of Finance for over a year, including during an in-person meeting last September, to ensure that US funds taxed as regulated investment companies (RICs) receive Swiss withholding tax relief as provided by the Switzerland-US income tax convention. This engagement led to the Swiss government recently informing our Swiss-based counsel that their views regarding the types of acceptable proof for establishing the percentage of RIC shares held by US persons have been revised.

The attached letter requests confirmation (1) that third-party-collected information (e.g., from a proxy solicitation firm) is acceptable to establish the treaty eligibility of a RIC's investors and (2) regarding the relevant criteria for third-party "qualification." Clarification on other proof methods also is requested. Assuming confirmation, the letter also requests guidance regarding what steps, if any, RICs should take to ensure payment on previously-filed treaty refund claims.

The letter also restates our strongly support for administrable procedures for establishing treaty eligibility that do not require engaging any specific third party. Additional methods of providing the FTA with reliable and verifiable information regarding the tax residences of a CIV's investors must be developed. In this regard, ICI Global will continue to coordinate with various other fund industry associations to develop alternative mutually-agreeable procedures that are both administrable for CIVs and ensure that only appropriate treaty relief is provided.

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