

MEMO# 11761

March 24, 2000

UPDATE OF PENDING SWISS TAX RECLAIMS SURVEY

1 See Institute Memorandum to Bank and Trust Advisory Committee No. 9-00, International Committee No. 11-00, Tax Committee No. 13-00, Transfer Agent Advisory Committee No. 16-00 and Securities Operations Subcommittee, dated March 24, 2000. 2 See Institute Memorandum to Tax Committee No. 29-99, dated October 5, 1999. [11761] March 24, 2000
TO: TAX COMMITTEE No. 14-00 RE: UPDATE OF PENDING SWISS TAX RECLAIMS SURVEY

The Swiss Federal Tax Administration (FTA) reportedly has suspended payment of tax reclaims submitted by and on behalf of U.S. funds pending a re-examination of their entitlement to benefits under the U.S.-Switzerland treaty that entered into force on December 19, 1997 (Treaty). The Institute has been engaged in a dialogue with the FTA regarding the proper application of the Treaty to U.S. funds treated for Federal tax purposes as regulated investment companies (RICs). Most recently, the Institute submitted a memorandum to the FTA responding to specific questions posed by them and describing in detail why RICs are entitled to benefits under the Treaty.¹ To gauge the ongoing extent of this issue, we request that any affected fund complex complete the attached, brief survey regarding the U.S. dollar amount of its pending Swiss tax reclaims. This survey will update the prior survey of pending Swiss tax reclaims taken by the Institute during October 1999.² Survey results should be sent to the undersigned by fax (to 202 326-5841) no later than Friday, April 21. As with the prior Swiss tax reclaims survey, the identity of all firms providing information will remain confidential. Only the U.S. dollar amount of pending reclaims per generic fund complex (such as "Fund A") and the aggregate amount of all tax reclaims pending by Institute members may be compiled and disclosed, as necessary, to the appropriate U.S. and Swiss tax authorities with whom the Institute is working to resolve this issue. If you have any questions, please contact the undersigned by e-mail (dflores@ici.org), by fax (202 326-5841) or by telephone (202 371-5436). Thank you for your participation in updating this important survey. Deanna J. Flores Assistant Counsel
Attachment