

MEMO# 11291

October 5, 1999

SWISS TAX RECLAIMS

[11291] October 5, 1999 TO: TAX COMMITTEE No. 29-99 RE: SWISS TAX RECLAIMS

As we discussed at our last meeting in San Diego, the Swiss tax authorities reportedly are denying tax reclaims submitted by global custodians on behalf of US funds. To support such denials, the Swiss tax authorities apparently are taking the position that US funds are not "residents" entitled to benefits under the new US-Switzerland income tax treaty which entered into force on December 19, 1997. To better gauge the extent of this issue, we request that any affected fund complex complete the attached brief survey regarding the amount of its pending Swiss tax reclaims. The identity of all firms providing information will remain confidential. Only the amount of pending reclaims per generic fund complex (such as "Fund A") and the aggregate amount of claims pending by all Institute members may be compiled and disclosed, as necessary, to the appropriate US and Swiss tax authorities with whom the Institute is working to resolve this issue. Survey results should be sent to the undersigned by e-mail (dflores@ici.org) or fax (202 326- 5841) no later than Friday, October 22. Thank you in advance for your cooperation. We will keep you informed of developments. Deanna J. Flores Assistant Counsel Attachment