



The Voice of OECD Business

Subject: Transfer Pricing Aspects of Business Restructuring: OECD Discussion Draft for Public Comment

February 18, 2009

Dear Jeffrey,

The Business and Industry Advisory Committee to the OECD (BIAC) is pleased to provide comments and recommendations regarding the OECD Discussion Draft entitled “Transfer Pricing Aspects of Business Restructurings: Discussion Draft for Public Comment 19 September 2008 to 19 February 2009” (“Discussion Draft”).

Business restructuring is a highly important topic and has explicitly been on the agenda of the OECD since 2005, and BIAC welcomes the open engagement and opportunity to comment on the Discussion Draft. The Draft is a useful starting point for building a common understanding of how international tax principles and transfer pricing concepts apply in business restructurings.

BIAC commends the excellent work that is set out in the Discussion Draft. The document reflects deep and detailed thinking about how the principles and terms of the OECD Transfer Pricing Guidelines (TP Guidelines) and the OECD Model Tax Convention on Income and on Capital apply to restructurings. It also reflects an understanding that restructurings are important global commercial events. BIAC specifically commends the Discussion Draft for its articulation of the fundamental principles that will now and in the future help clarify and resolve issues relative to restructurings. In particular, the Discussion Draft properly emphasizes the following principles:

- The transfer pricing analysis of restructurings starts from examination of the taxpayer’s contractual terms. Those terms are respected unless they do not have substance under the specific tests of the TP Guidelines;
- In the re-structuring transaction itself, remuneration issues arise only from transfer of actual rights or other assets, and profit/loss potential is not an asset in itself;
- It can be commercially rational from TP Guideline perspective to restructure in order to obtain tax savings;
- Recharacterisation or non-recognition of transactions is not normal, and is only by exception;

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- There is no presumption that all contract terminations or substantial renegotiations give rise to a right to indemnification at arm's length.

Further delineation of details for the application of these principles is appropriate, so that the document can better serve to facilitate resolution of examinations or controversies between tax administrations and MNEs with respect to business restructuring matters and avoid double taxation. BIAAC stands ready to work with the OECD to finalize the Discussion Draft to this end.

Portions of the Discussion Draft, as well as various discussions with representatives of the OECD member States on the topic of restructurings, give us significant concern about the way forward on this project. BIAAC believes that the issues can be worked out in application of the TP Guidelines and consistent with the principles described, provided that there is a shared commitment on this with the OECD and its member States. BIAAC has worked hard to forge a consensus with its members on these subjects. We do not perceive yet that there is a like consensus on the part of the OECD and its member States. The need for consensus is very apparent in this project. As a result, we request specific engagement and advice on how we can jointly build a consensus between business, the OECD and its member States.

General comments and reflections

Restructurings constitute a natural and necessary part of businesses' day-to-day endeavour to ensure efficiency and competitiveness. BIAAC is pleased to see this fact recognized and accepted as a reality in the Discussion Draft. Businesses operate in an ever changing social, economic and legal environment and the ability to adapt its operations to these changes is essential. The recent developments in the financial markets constitute a good, although extreme, example of the challenges business face in this respect.

The vast majority of business restructurings are conducted out of sound commercial reasons. By way of example, restructurings are often carried out to minimize administrative costs, ensure lower production costs, access skilled labour and know-how, streamline acquired companies or groups into an existing business model etc. The commercial reason for a restructuring could of course also include tax considerations, such as to achieve group consolidation or to benefit from a competitive tax system. It is from this comprehensive commercial perspective that the analysis of transfer pricing aspects of business restructurings should be conducted.

Indeed, restructurings that constitute wholly artificial arrangements aimed at achieving undue tax benefits should receive appropriate scrutiny and be discouraged. BIAAC would, however, like to stress that only in such cases should a restructuring be questioned from a tax perspective. It should also be re-emphasized that the mere existence of a tax savings does not itself constitute an artificial arrangement. In adopting measures to address artificial schemes, great caution must be taken so as not to impede restructurings that are conducted for commercial reasons.

Another point concerns mergers and acquisitions (M&As). As stated in the Discussion Draft, it does not cover M&As (since per se they are carried out at arm's length). One could,

however, read the Discussion Draft to conclude that all changes in mode of operation following an acquisition could be subject to “business restructuring” scrutiny. BIAAC suggests that the simple alignment by the acquired company to the group’s standard intercompany practices, such as changes to the pricing methodology or the conversion of similar group taxation policies, should be excluded from the scope of “business restructuring” inquiries.

BIAAC has two reflections of a more general nature with respect to the Discussion Draft. The *first* concerns the application of the TP Guidelines to the phenomenon of business restructurings. Although, for the most part, the Discussion Draft reflects an even-handed application of the TP Guidelines there seem to be several important areas where this is not the case. BIAAC has identified the following areas of concern:

1. When looking at risk allocation and control, the Discussion Draft states that the party in question must have people who have the authority to, and effectively do, perform control functions concerning the risk.¹ This seems contradictory to the experience of MNEs with all types of commercial insurance, portfolio investment, and related types of arrangements routinely structured with third parties. This topic is addressed specifically below.
2. It is said in the Discussion Draft that attention must be given to options (alternative forms of transactions) that could realistically have been available to achieve the objectives of the parties other than the transactions selected.² BIAAC believes that the actual transaction undertaken shall be respected and that it is this transaction that shall be scrutinized rather than a hypothetical alternative.
3. Distribution activities should, according to the Discussion Draft, generally not have a cost plus or cost-based TNMM TPM, regardless of the level of risk of the distributor.³ As more fully discussed in BIAAC’s recent paper on profit methods, BIAAC is of the opinion that the taxpayers’ selection of method most appropriate to the circumstances should be respected, unless shown that it does not provide an arm’s length result.

BIAAC is concerned that the deviations from the TP Guidelines on these issues will lead to interpretation difficulties and feel that the Discussion Draft need further refinement and clarification in relation to these topics.

The *second* reflection concerns documentation requirements. The Discussion Draft emphasizes the need for taxpayers to document the critical elements of its restructurings with respect to each party to the transactions in question. The specific instances in which documentation is required include the following:

1. Contractual arrangements concerning the restructuring,⁴

1 OECD Business Restructuring Discussion Draft ¶ 30.

2 OECD Business Restructuring Discussion Draft ¶ 59.

3 OECD Business Restructuring Discussion Draft ¶ 152.

4 OECD Business Restructuring Discussion Draft ¶¶ 25-26.

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2. Business reasons for the restructuring;⁵
 3. Transactions involved in the restructuring;⁶
 4. Options realistically available to achieve the objectives of the parties other than the transactions selected;⁷
 5. Identification of intangibles involved in the restructuring,⁸ and their profit-making potential;⁹
 6. Identification of functions, assets, and risks involved in the restructuring;¹⁰
 7. Presence of indemnification to the transferor;¹¹
 8. Terms of any termination or renegotiation of any existing agreements;¹²
 9. Application of two-sided as well as one-sided TPM analysis, indicating, as it has in other contexts, that profits split methods (two-sided) may need to be used to confirm a one-sided method (such as TNMM);¹³
 10. Identification of potential comparables;¹⁴
 11. Functional analysis of what has actually changed before and after the restructuring;¹⁵
 12. All other elements of the transaction in question that is pertinent to the respective elements of the Discussion Draft.

It is understandable that there is such a significant focus on documentation, as there are now more than 60 countries that have transfer pricing documentation requirements, subject to severe non-compliance penalties. Nonetheless, from a practical point of view this list seems to be excessive. For example, the requirement to analyse pricing before and after the business restructuring seems excessive and burdensome. The reasonableness of this list of documentation requirements needs attention in finalizing the Discussion Draft. Documentation is also addressed further below.

Risk allocation
Within a business relationship, the holder of the entrepreneurial risks should, *ceteris paribus*, receive a larger share of the profits (or losses) than a low risk operator. As mentioned in the Discussion Draft, risk allocation is thus of critical importance in implementing the arm's length standard in business restructurings.

5 OECD Business Restructuring Discussion Draft ¶ 53.

6 OECD Business Restructuring Discussion Draft ¶ 50.

7 OECD Business Restructuring Discussion Draft ¶ 59.

8 OECD Business Restructuring Discussion Draft ¶ 78.

9 OECD Business Restructuring Discussion Draft ¶ 78.

10 OECD Business Restructuring Discussion Draft ¶ 88.

11 OECD Business Restructuring Discussion Draft ¶ 102.

12 OECD Business Restructuring Discussion Draft ¶ 103.

13 OECD Business Restructuring Discussion Draft ¶¶ 148-149.

14 OECD Business Restructuring Discussion Draft ¶¶ 166-169.

15 OECD Business Restructuring Discussion Draft ¶ 185.

The examination of risks for transfer pricing purposes originates in the identification of risks. In this respect, the Discussion Draft suggests that information about risks can be found in various financial statements. For example, when examining the allocation of inventory risk, the Discussion Draft states that evidence could be found where the inventory write-downs are taken. BIAC is concerned that such an approach would be misleading when seeking to identify the correct allocation of risks for arm's length purposes. Indeed, financial statements could give a good indication of the *size* of a particular risk. As for the *allocation* of these risks, however, financial statements and similar documents merely constitute evidence of a company's legal and economic risks towards third parties. This information does, however, not necessarily demonstrate anything about the risk allocation *between* the related companies. In order to find evidence regarding the relevant risk allocation for arm's length purposes it is rather the business relations – including transfer pricing agreements as well as the allocation of functions, capital, intangibles and responsibilities etc. – between the parties, that is relevant for determining the allocation of risks.

Assume for example that a subsidiary has a warranty obligation towards a customer. Indeed, it is the subsidiary as a legal person that assumes the warranty risk *vis a vis* the customer. When this risk is manifested in the form of a warranty expense, that expense is displayed in the financial statements. However, according to the group's internal agreements and transfer pricing model, the parent company assumes all warranty risks and has the financial strength as well as the control and similar functions to assume these risks. Then looking at the costs manifested in the financial statements would be misleading in seeking to identify the location of risks within the group. The expense in the financial statements would only reveal the risk towards a third party, whereas they provide no input as to the intra group allocation of these risks (although the latter information may possibly be clarified in e.g. a footnote to the financial statements). In this example it is the parent company that contractually and factually assumes this risk for arm's length purposes.

Business restructurings sometimes involve the transfer of most or all risks related to activities performed by and property owned by a related company (being a distributor, contract manufacturer, R&D performer or any other type of service provider). In such situations, the restructuring does not necessarily involve the transfer of the *legal* ownership of any tangible or intangible property that goes with the transfer of these risks. By way of example, the restructuring could involve the transfer of all its *interest and rights to use and exploit* all intangibles including patents, know-how, trade names, trademarks and all other marketing intangibles related to certain activities, but not legal title. In this case, the legal ownership of these intangibles remains with the transferor and the assets might remain on the books of the company having legal title. The economic ownership and the right to exploit these assets are however transferred (given that the remuneration for receiving the exclusive rights to use and exploit these assets is at arm's length). Again, in identifying the allocation of the risks for transfer pricing purposes, the legal ownership of the assets does not necessarily give proper guidance. It is rather the factual and economic allocation of the assets that should be identified and evaluated.

Subsequent to the identification of risks, it is necessary to determine whether the risk allocation is reasonable from an arm's length perspective. Here the Discussion Draft takes a lead from paragraph 1.27 of the TP Guidelines where it is established that:

“In arm's length dealings it generally makes sense for parties to be allocated a greater share of those risks over which they have relatively more control.”

In defining “control”, BIAAC agrees with the general concept that control can be referred to as the capacity to make decisions to take on the risk (decision to put the capital at risk) and decisions on whether and how to manage the risk. To further clarify, control involves the *responsibility* for the consequences occurring due to implementation of the policies determined by the party in control.

In applying this concept in practice, however, it becomes important to identify the factors that constitute the “type” of control that is relevant for the arm's length analysis. As pointed out in the Discussion Draft, a party that conducts the day-to-day administration and decision making does not necessarily have the responsibility and relevant control over the risk. This point is not a sufficient analysis of relevant control, however, especially when as a matter of fact, risk control and quality assurance in MNE's are today normally part of standardized procedures. The compliance with these procedures is often managed regionally or worldwide within central management platforms. Furthermore, it is quite common to steer activities (e.g. research) under a standardized approach irrespective of whether the company performing the research is acting on its own behalf or under a contract research agreement. If risk control is organized centrally there is no need and no possibility for the risk taking party to exercise control.

Also between unrelated parties, an investor in research activities could engage an independent expert to exercise strategic control over the activities of another independent contract researcher. For a party that assumes a risk it is not necessarily important to personally exercise control over the risk, but rather to have an arrangement so that someone is in fact exercising appropriate control over the risk. From an arm's length perspective the only requirement in this context should be that the party who is bearing the economic risks and rewards of the activities should also be the one to bear the cost of those activities.

The Discussion Draft uses the expression “greater” control to determine who is more likely to assume a given risk. The expression can, however, be misinterpreted as it gives the impression that different types of “control” should be weighted against each other in determining the proper allocation of risks. Under this approach, it could be argued that the operational “control” of a service provider's day-to-day business should be weighted against the control of the group company, which has the capacity to assume the entrepreneurial risks and responsibilities. This is, however, not appropriate from an arm's length perspective. To avoid such an interpretation, BIAAC would prefer an expression that better captures the allocation of the responsibility to take on and bear the consequences of the risks. A tentative proposal could be “effective economic control”. BIAAC believes that this wording better reflects that it is not the party that has the “day-to-day” responsibility to implement the business decisions that necessarily has the control over the risks relevant for arm's length purposes.

When it comes to risk allocation and control, the emphasis in the analysis undertaken may differ from a country perspective depending on whether there typically are many company head offices located in that country or whether subsidiaries are more common. For obvious reasons such different views are likely to lead to disputes over who is in control of the risk. Tax authorities may therefore challenge companies on the basis of local tax audits where local employees of the subsidiary, e.g. a CFO, may give an impression that the subsidiary has control over the risks. In such cases, the effective economic control is vital.

Another factor that is typically taken as an indication of whether the allocation of risks is at arm's length is the level of capitalization. Although it can generally be assumed that a party that carries entrepreneurial risks also has capital to cover these risks, it is not necessarily true that a high level of capitalization by itself means that the party carries risk. The level of capitalization is often dictated by legal requirements, such as thin cap regulations. Also, some countries have adopted regimes designed to attract capital. As the level of capitalization for these reasons is influenced by other factors than the commercial rationale of carrying the risk, the level of capitalization cannot as such be assumed to constitute a proper indication of the arm's length allocation of risks.

BIAC is of the firm opinion that taxpayer's allocations of risk should be respected in every case where the conduct of the parties is consistent with the parties' agreements. Such allocation of risk should not be disregarded based on a notion that "unrelated parties would not have done it that way".

The role of documentation

BIAC agrees that a transfer pricing analysis of a business restructuring transaction should begin with a review of the taxpayer's written agreements and that those agreements should be respected when consistent with the taxpayer's conduct.

As noted above, BIAC is, however, concerned about some connotations regarding documentation requirements presented in the Discussion Draft. Indeed, documentation and legal contracts are often available and do constitute an evident starting point when trying to identify the actual transactions carried out. The Discussion Draft does, however, imply that the existence of agreements and documents formalized in writing (or lack thereof) should be considered when determining if a transaction or restructuring is carried out at arm's length. There is also substantial emphasis in the Discussion Draft on the need to document at the time when a transaction or change in a business model is undertaken or even contemplated. Although written contracts and similar documentation certainly serve as anchors in the process of identifying and understanding the transactions and agreements that are in fact carried out, BIAC would like to stress that written agreements are not the only way for the taxpayer to proceed, and in such cases information can be gathered from the actual transactions as they occur. The mere fact that an agreement or condition has not been formulated in writing must not be taken as an indication that the actual transaction deviates from the arm's length principle. The TP Guidelines provide for functional analysis of economic substance of the dealings in practice in either case.

In this respect, it should be recognized that business dealings within a group differ substantially from business dealings between independent parties. In many cases transactions within a group are such that the circumstances around the transaction cannot be compared to transactions between third parties because the former dealings are unique. For one, the level of trust and control between the parties is inherently different. From a commercial perspective, an intra-group contract between wholly owned entities is essentially a contract where there is less risk of commercial double dealing or moral hazard between the parties. Therefore, establishing written contracts stipulating all conditions surrounding an intra group transaction is less important than for third party trading parties. Group policy might therefore not require intra group dealings to be formalized in writing. In contrast, to avoid undue administration, such policies might even recommend that internal contracts are not to be established other than in significant cases or where it is legally required.

Similarly, where contracts are conducted in writing, these may be less detailed and hazard oriented than would be an agreement with a third party. In a related party situation, there is much less commercial rationale to establish “fully fledged” contracts that duplicates all the conditions, possibilities and eventualities that are required in a third party agreement. Again, doing so for every intra-group transaction would impose an undue administrative burden and be both time consuming and costly.

Thus, to sum up, the review of written agreements constitute a natural and useful starting point for the arm’s length analysis and such contracts, consistent with taxpayer conduct, should be respected by the tax authorities. However, the fact that a contract or a contractual term has not been concluded in writing must not, as such, be taken to suggest that the party’s actual conduct is not at arm’s length.

The implied demand for documentation also raises the question of the burden of proof. BIAAC fears that hindsight could come to play a larger role in intra-group arrangements if there is too much emphasis on the existence of written contracts and similar documentation. There is a risk that tax authorities may feel that they are justified to make a pricing adjustment (or even to reclassify a transaction altogether) where no such documentation is available.

Compared to the TP-guidelines, the Discussion Draft seems to differ in tenor as well as in substance. Whereas, in the TP Guidelines, there is a clear emphasis on substance over form this does not always seem to be the case in the Discussion Draft. Paragraph 133 e.g., dealing with business restructuring versus structuring, states that

“[...] it is essential in business restructuring cases that a comparability analysis be performed both for the pre-restructuring and for the post-restructuring arrangements and that the actual changes that took place upon the restructuring be documented [emphasis added].”

Clearly, there is follow up work as to whether a restructuring went according to plan or not. However, there may not necessarily be a formalized documentation routine and there may also be elements in the restructuring containing sensitive information. Furthermore, business restructuring analysis often stretches out over time as long term investment strategies.

Reclassification

The question when a tax administration is allowed to deviate from the contractual terms and the actual transaction is another topic of great concern and importance to business. BIAC is of the firm opinion that reclassification only should be applied as a last resort and limited only to situations as described in 1.37 of the TP Guidelines.

From paragraph 1.36 of the TP Guidelines, it is clear that tax administrations only are allowed to disregard or substitute the actual transaction in exceptional circumstances.

Paragraph 1.37 of the same Guidelines describes two such exceptional circumstances. The first one is where the economic substance of a transaction differs from its form. The second circumstance consists of two cumulative criteria and deals with situations when the substance is in accordance with its form but arrangements made, viewed in their totality, differ from independent enterprises behaving in a commercial rationally manner and the actual structure impedes tax administration from determining an appropriate price.

The Discussion Draft seems to support this guidance in the TP Guidelines. This is confirmed in paragraph 194 of the Discussion Draft, where it is expressed that no amendments regarding reclassification are intended. Consequently, reclassification must not be undertaken other than in “exceptional cases”. BIAC notes, however, that the wording in the second bullet point of paragraph 38 in the Discussion Draft may give the impression that reclassification is possible under 1.25 -1.27 of the TP Guidelines, without applying the second cumulative criterion in paragraph 1.37 of the same Guidelines. It reads as follows:

“38. As noted at paragraph 1.41 of the TP Guidelines, the fact that independent enterprises do not allocate risks in the same way as the taxpayer in its controlled transactions is not sufficient for not recognising the risk allocation in the controlled transactions, but it might be a reason to examine the economic logic of the controlled distribution arrangement more closely.

· (...)

· *Assume now that it is found that the distributors have relatively more control over the excess inventory risk as they make the decisions on the quantities of products they purchase from the manufacturer. In such a case, the tax administration may conclude that at arm’s length, a manufacturer would not agree to take on substantial excess inventory risk by, for example, agreeing to repurchase from the distributors at full price any unsold inventory. In such circumstances, the tax administration may re-assign the consequences from the risk allocation to the related distributors following the guidance at paragraphs 1.25 -1.27 of the TP Guidelines (e.g. by challenging the manufacturer’s obligation to repurchase unsold inventory at full price) if the allocation of that risk is one of the comparability factors affecting the controlled transaction under examination.”*

Considering the wording in paragraph 194 of the Discussion Draft, BIAC assumes that what is intended in the second bullet point of paragraph 38 is merely a possibility to adjust to arm’s length price and not to reclassify the transaction. However, in order to avoid divergent

interpretations, BIAC suggests that the second bullet point of paragraph 38 be clarified to that end.

The OECD view is that paragraphs 1.36 -1.41 do not restrict a tax administration's ability to adjust the price or other conditions of a controlled transaction in situations where there is no dispute about the nature of the transaction¹⁶. In principle, BIAC supports this view but finds the reference to "other conditions" somewhat ambiguous and therefore encourages the OECD to clarify that no reclassification is intended.

BIAC agrees with the conclusion in paragraph 202 of the Discussion Draft, that where paragraphs 1.36 -1.41 of the TP Guidelines apply and the conditions for a reclassification is at hand, the objective should be to arrive at a characterisation or structure that comports as closely as possible with the facts of the case.

The Discussion Draft requests comments on the appropriate definition of the term "commercially rationale behaviour." BIAC believes that the TP Guidelines address this concept with sufficient specification. These issues will ultimately be addressed through the mutual agreement procedures in situations where the OECD Model Tax Convention is applicable, and with respect to which the TP Guidelines are applicable. In any event, BIAC also believes that the existing examples in the Discussion Draft¹⁷ provide sufficient guidance. However, in this context, BIAC is concerned about the tendency in the Draft (e.g. para 209) potentially to ignore business restructurings if from a theoretical point of view, there might be better alternatives available for group companies. This tendency begs the question of how a group works and obscures the relevant issues in the application of the arm's length principle. In a group setting each company has, in a long term perspective, a competitive advantage from the centralization, the specialization and the protection against competition that is afforded within the group. The choices that a group makes to structure itself commercially are up to the group and the issues for tax relate to the remuneration effects of those choices. It is not the prerogative of tax authorities to adjudge that a possible short term benefit for a group company, e.g. by not taking part in a restructuring, can outweigh the loss of these long term benefits. It is the decision of a MNE alone to decide whether a group company should restructure or sell assets and continue its business in a more competitive way connected with less risk.

Exit taxation

Exit taxation creates tax barriers and is not conducive to competitiveness and economic growth. Unfortunately, the Discussion Draft has not addressed this topic clearly enough. It is important to have a harmonised view on this issue within the OECD, since lack of consensus is permissive to domestic measures that lead to double taxation. However, there are several reported differences in the Draft where some countries express divergent views¹⁸. BIAC is concerned, due to the reasoning in the Draft and the divergent views expressed, that a fiscal authority could assert that reorganization within a group could trigger exit taxation even when it only concerns cross-border transfer of functions and not assets. Apart from the

¹⁶ OECD Business Restructuring Discussion Draft ¶ 202.

¹⁷ OECD Business Restructuring Discussion Draft ¶¶ 214, 217 and 220

¹⁸ OECD Business Restructuring Discussion Draft e.g. ¶ 207 and 216 dealing with how to view the commercially rational behavior test and the sale of "crown jewels" respectively.

difficulty of reconciling this with EC law for businesses which operate within the European Union, BIAC also believe that the assertion of exit taxation on the cross border transfers of functions is incompatible with the arms length principle and will lead to double taxation of the same profits.

Taxation should only be based on the transfer of actual assets, not on the transfer of functions or the future profit potential of a business in another state – the assertion by some fiscal authorities that the future location benefits of a business reorganization should be taxable (be they operating costs or reduced tax rates) is totally incompatible with the arm's length principle or transactions between unrelated parties. Under no circumstances should the taxation of foregone profits be allowed nor supported in an OECD document.

Concluding remarks

The Discussion Draft provides a conceptual framework for analyzing the transfer pricing aspect of business restructurings in the context of the TP Guidelines. The issues are very complex and the need for a harmonised approach in this area is extremely important since divergent views and ambiguity will have a very negative impact on business restructurings. Unfortunately, BIAC finds it very clear that the parties involved in the writing of the Discussion Draft represent widely divergent views. The ambivalence in the Draft allows for differing interpretations from taxpayers and tax authorities alike. This could also lead to taxation of foregone profits, which is unacceptable. Although a serious effort certainly has been made by those participating in the Discussion Draft, BIAC is concerned that it does not deliver enough certainty or predictability as to how to structure and report for tax purposes the transfer pricing aspects of a business restructuring. BIAC encourages the OECD to seek consensus on this subject and would be willing to continue a constructive dialogue with the OECD and its member governments in order to promote growth and limit any risk of double taxation.

As noted, we would be most happy to confer on the points raised here as well on the future course of the project.

Sincerely yours,



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