

14 June 2011

Jeffrey Owens
Director, CTPA
OECD
2, rue André Pascal
75775 Paris
France

Email: Jeffrey.owens@oecd.org

Dear Mr. Owens,

Clarification of the meaning of “Beneficial Owner” in the OECD Model Tax Convention

IMA represents the investment management industry operating in the UK. Our Members include independent investment managers, the investment arms of retail banks, life insurers and investment banks, and the managers of occupational pension schemes. They are responsible for the management of around US\$5.5 trillion of assets, which are invested on behalf of clients globally. These include authorised investment funds (i.e. regulated mutual funds), institutional funds (e.g. pensions and life funds), private client accounts and a wide range of pooled investment vehicles. In particular, our Members represent 99% of funds under management in UK-authorized investment funds, most of which are Undertakings for Collective Investments in Transferrable Securities (UCITS).

We welcome the opportunity to comment on the discussion draft on the proposed changes to the Commentary on Articles 10, 11 and 12 of the OECD Model Tax Convention regarding the meaning of “beneficial owner”.

The discussion draft deals with the term “beneficial owner” in the context of agents, nominees and conduit companies acting as fiduciary or administrators, and does not address the position where a collective investment vehicle (CIV) receives investment income. We do not believe, therefore, that any changes to the Commentary arising out of the discussion draft should result in any amendment to paragraph 6.14 of the Commentary on Article 1. This paragraph states that a widely held CIV will be treated as the beneficial owner of the dividends and interest it receives, so long as the managers of the CIV have discretionary powers to manage the assets generating such income, unless an individual who would have received the income in the same circumstances would not have been considered the beneficial owner.

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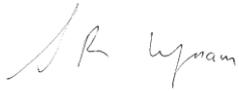
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We therefore ask that there be inserted in the Commentary to Articles 10, 11 and 12, an explicit statement that the operation of paragraph 6.14 of the Commentary on Article 1 is not altered.

Please do not hesitate to contact me (on +44 20 7831 0898 or at slynam@investmentuk.org) if you would like to discuss.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S Lynam', written in a cursive style.

Stephen Lynam
Head of Tax