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Item 3 (b) of the provisional agenda

Update of the UN Model Double Taxation Convention between Developed and Developing Countries – Corrections to note E/C.18/2020/CRP.9 on Collective Investment Vehicles, Pension funds and REITs

Note by the Secretariat

The following two technical corrections should be made to note E/C.18/2020/CRP.9, which deals with the application of the United Nations Model Double Taxation Convention between Developed and Developing Countries to collective investment vehicles, pension funds and REITs:

1. **Page 5:** replace footnote 1 to proposed paragraph 9.1 by the following (changes appear in redline)

   1. It was estimated that in 201~~8~~9 the total worldwide assets invested through regulated funds amounted to over US$~~46.7~~54.9 trillion (https://www.ici.org/pdf/2020_factbook.pdf, page 11 (last visited ~~February 2019~~ 10 June 2020).

   Explanation: Change made in order to refer to the most recent available statistics.

2. **Page 14:** replace the first part of the proposed paragraph 9.17 by the following (changes appear in redline)

   9.17 The practical application of the approach in the alternatives discussed in paragraphs 9.9 or~~,~~ 9.14 ~~or 9.15~~ above requires a collective investment vehicle to determine the proportion of its investors who would have been entitled to benefits had they invested directly. This raises practical difficulties, and requires administrative solutions, that are discussed in the following paragraphs of the Commentary on Article 1 of the OECD Model Convention:

   43. Under either the approach *[in the alternatives discussed in paragraphs 9.9 or~~,~~ 9.14 ~~or 9.15~~ above]*, it will be necessary for the CIV to make a determination regarding the proportion of holders of interests who would have been entitled to benefits had they invested directly. …

   Explanation: Unlike the alternatives in paragraphs 9.9 and 9.14, the alternative provision included in paragraph 9.15 of the proposed Commentary does not require the determination of the proportion of investors in the relevant CIV who would have been entitled to benefits if they had invested directly.