



Economic and Social Council

Distr.: General
12 March 2018

Original: English

Committee of Experts on International Cooperation in Tax Matters

Sixteenth session

New York, 14–17 May 2018

Item 3 (c) (iv) of the provisional agenda*

Discussion of substantive issues related to international cooperation in tax matters: treatment of collective investment vehicles

Previous consideration by the Committee of Experts on International Cooperation in Tax Matters of the treatment of collective investment vehicles

Note by the Secretariat

1. The matter of the tax treatment of collective investment vehicles arose in particular in the context of developing article 29 (Entitlement to benefits) as part of the 2017 update of the United Nations Model Double Taxation Convention between Developed and Developing Countries.
2. The work was led by a member of the Committee, Henry Louie, who prepared a conference room paper for the Committee's fourteenth session, in which he addressed some of the policy and drafting issues related to collective investment vehicles and noted the lack of prior consideration thereof by the Committee. At the fourteenth session, Mr. Louie explained the proposed new article 29 and emphasized that the Committee would have to decide whether it would like to include a rule to address collective investment vehicles in article 29 (2) (g). The Committee recommended that the issue should be discussed at the next session and agreed to temporarily include language in article 29 (2) (g) to the effect that countries could address the taxation of collective investment vehicles in their tax treaties. The term "collective investment vehicle" was consequently removed from paragraph 7 of the commentary on article 29 but may be reincluded following relevant recommendations by the Committee (see [E/2017/45-E/C.18/2017/3](#), paras. 65–67).
3. At the fifteenth session, a member of the Committee, Christoph Schelling, observed that the tax treatment of collective investment vehicles in domestic law and tax treaties raised a number of issues and was an important question for both developed and developing countries. As a first step, Mr. Schelling proposed and the Committee agreed to the preparation of a paper outlining the issue, which would be discussed at the sixteenth session of the Committee (see [E/2018/45-E/C.18/2018/1](#), paras. 56–58).

* [E/C.18/2018/2](#).

