



UNITED STATES COUNCIL FOR INTERNATIONAL BUSINESS

September 7, 2016

VIA EMAIL

Achim Pross
Head
International Co-operation and Tax Administration Division
Centre for Tax Policy and Administration
Organisation for Economic Cooperation and Development
2 rue Andre-Pascal
75775, Paris
Cedex 16
France
(interestdeductions@oecd.org)

Re: USCIB Comment Letter on OECD's Discussion Draft on BEPS Action 4 – Approaches to Address BEPS Involving Interest in the Banking and Insurance Sectors

Dear Mr. Pross,

USCIB¹ appreciates the opportunity to provide comments on the discussion draft concerning approaches to address BEPS involving interest in the banking and insurance sectors.

USCIB supports the comments of BIAC. We write separately to emphasize that because there is a low risk of BEPS by banking and insurance sectors from excessive leverage, the best practice rule should be that these sectors not be subject to the fixed ratio and group ratio rules of BEPS Action 4.

USCIB recognises some might think this suggestion would be a “free pass” for the banking and insurance sectors. It is not. The regulatory rules faced by the banking and insurance sectors

¹ USCIB promotes open markets, competitiveness and innovation, sustainable development and corporate responsibility, supported by international engagement and prudent regulation. Its members include top U.S.-based global companies and professional services firms from every sector of our economy, with operations in every region of the world. With a unique global network encompassing leading international business organizations, USCIB provides business views to policy makers and regulatory authorities worldwide, and works to facilitate international trade and investment.

are unique and substantial. They have been put in place for important systematic reasons and impose meaningful and serious constraints on the banking and insurance sectors.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. Sample', written in a cursive style.

William J. Sample
Chair, Taxation Committee
United States Council for International Business (USCIB)

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