



July 16, 2018

The Hon. David Kautter
Assistant Secretary for Tax Policy
U.S. Department of Treasury
1500 Pennsylvania Ave. NW
Washington, DC 20005

William M. Paul
Acting Chief Counsel and Deputy Chief Counsel (Technical)
Internal Revenue Service
1111 Constitution Ave NW
Washington, DC 20024

Re: SIFMA Recommendations for 2018-2019 Priority Guidance Plan

Dear Mr. Kautter and Mr. Paul:

The Securities Industry and Financial Markets Association (SIFMA)¹ welcomes the opportunity to comment on guidance projects in the 2018-2019 Priority Guidance Plan as requested by Notice 2018-43.² As explained by the Notice, the Tax Cuts and Jobs Act, P.L. 115-97, has made it more difficult to address all of the projects included in the 2017-2018 Priority Guidance Plan, and the IRS and Treasury Department are seeking input from taxpayers to help prioritize guidance projects in the coming year.

Please find below SIFMA's recommended priorities arranged in categories and further prioritized within those categories. Guidance on each of these matters will resolve important questions faced by our members and the millions of taxpayers they serve as clients, reducing the tax regulatory burden for our members and their clients by clarifying existing law.

¹SIFMA is the voice of the U.S. securities industry. We represent the broker-dealers, banks and asset managers whose nearly 1 million employees provide access to the capital markets, raising over \$2.5 trillion for businesses and municipalities in the U.S., serving clients with over \$18.5 trillion in assets and managing more than \$67 trillion in assets for individual and institutional clients including mutual funds and retirement plans. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

² <https://www.irs.gov/pub/irs-drop/n-18-43.pdf>

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SIFMA recommends the following priorities and has commented already on many of them, as indicated in the notes below:

1. Tax Reform Regulations
 - a. Global Low-Taxed Intangible Income (GILTI)
 - b. Base Erosion Anti-Abuse Tax (Sec. 59A) (BEAT)
 - c. Foreign Tax Credit Limitation Rules (Sec. 904, GILTI & Branch Basket)
 - d. Withholding with Respect to Foreign Partners (Sec. 1446(f))³
 - e. Deemed Repatriation (Sec. 965)⁴
 - f. Market Discount and Original Issue Discount (OID) (Sec. 451(b))⁵
 - g. Downward Attribution Rules (repeal of Sec. 958(b)(4))
 - h. Regulations Under IRC Sec. 162(m)
 - i. Regulations Under IRC Sec. 199A
 - j. Unrelated Business Income Tax (UBIT) (Sec. 512(a)(6))

2. Executive Orders 13777⁶ and 13789 Burden Reduction
 - a. Regulations Under IRC Section 871(m)⁷⁸
 - b. Regulations Under IRC Section 385⁹ & ¹⁰
 - c. Foreign Account Tax Compliance Act (FATCA)¹¹

3. Other Priority Issues
 - a. Regulations Under IRC Section 446
 - b. Regulations Under IRC Section 305(c)¹²

³ <https://www.sifma.org/resources/submissions/request-for-delay-in-implementation-of-section-1446f/>

⁴ <https://www.sifma.org/resources/submissions/tcja-section-965-deemed-repatriation-tax/>

⁵ <https://www.sifma.org/resources/submissions/tax-cuts-and-jobs-act-of-2017/>

⁶ <https://www.sifma.org/resources/submissions/executive-order-13777/>

⁷ <https://www.sifma.org/resources/submissions/regulatory-project-to-reduce-burdens-under-section-871m/>

⁸ <https://www.sifma.org/resources/submissions/sifma-submits-comments-to-the-irs-on-section-871m-implementation-date-delay/>

⁹ <https://www.sifma.org/resources/submissions/implementation-of-executive-order-13789-identifying-and-reducing-tax-regulatory-burdens/>

¹⁰ <https://www.sifma.org/resources/submissions/sifma-submits-comments-to-the-treasury-on-proposed-debt-equity-regulations-under-irc-sec-385/>

¹¹ <https://www.sifma.org/resources/submissions/fatca-gross-proceeds/>

¹² <https://www.sifma.org/resources/submissions/sifma-submits-comments-to-the-irs-on-proposed-regulations-relating-to-deemed-distributions-under-code-section-305c-2/>

SIFMA appreciates your consideration of these comments and we would be happy to share more background and detail about any of the matters outlined above. I can be reached at 202-962-7300 or ppeabody@sifma.org should you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Payson R. Peabody". The signature is written in a cursive style with a prominent "P" at the beginning and a long, sweeping underline at the end.

Payson R. Peabody
Managing Director & Tax Counsel
Securities Industry and Financial Markets
Association