

Brussels, 17 August 2022

## EFAMA COMMENTS ON THE OECD'S PUBLIC CONSULTATION RE. THE OECD SECRETARIAT PROGRESS REPORT ON AMOUNT A OF PILLAR ONE

The **purpose** of this response to the [Public Consultation](#) is to **reiterate EFAMA's position on the topic and welcome the work of the OCDE/G20 Inclusive Framework (IF) that is reflected in the progress report that was recently released.**<sup>1</sup>

We understand **our industry concerns are being acknowledged and the OECD/IF is keeping the fundamentals of its previous work<sup>2</sup> and aiming to reach an agreement on high-level and principles-based exclusion rules that will work in practice with no adverse impact on the industry and ultimately on end-investors.**

**EFAMA welcomes** the work on Schedule C: Exclusion of Revenues and profits from Regulated Financial Services from the scope of Pillar One, in particular **the amendments introduced to the definition of "Asset Manager"**<sup>3</sup> and the following requirements:

- **Licensing/Asset Management as a business (paragraph a)):** We trust that by relying on the scope of the licenses for "asset management as a business", this broad definition should work in practice when implemented without generating competitive distortions, complexity and uncertainty at a global/local level.
- **Level of regulation (paragraph b)):** The alignment of the exclusion rules with "*the Objectives and Principles of Securities Regulation as adopted by the IOSCO and the related implementing methodology*" should pave the way to further work of the IF, as this regulatory standard should cover most of our industry's fact patterns.
- **Activities list (paragraph c)):** The broad asset management definition and the list of activities included in paragraph c) should work in practice, notwithstanding the IF could consider adding some elements of to this list (e.g. investment advise and portfolio management activities), if not in the Model Rules, at least in the Commentary.

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<sup>1</sup> To learn more about EFAMA's position in this respect, please refer to EFAMA's responses to the Public Consultations launched in [March 2019](#), in [November 2019](#), in [December 2020](#) and more recently in [May 2022](#).

<sup>2</sup> Please refer to footnote 5 (page 9) of the [previous public consultation document](#): "*The elements of the definitions concerning regulation for the purposes of the exclusion from Amount A are intentionally high level and principles-based.*"

<sup>3</sup> Please refer to section 20: Definitions of Regulated Financial Services – paragraph 2 – page 55 of the report.

When working on the draft of the Model Rules (and the Commentary), we trust the IF will accommodate our industry concerns with the definitions of excluded entities. **EFAMA stands ready to assist the OECD/IF technical teams working on this initiative and discuss any remaining issues raised by our industry.**

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## **ABOUT EFAMA**

EFAMA, the voice of the European investment management industry, represents 27 member associations, 58 corporate members and 26 associate members. At end Q4 2021, total net assets of European investment funds reached EUR 21.9 trillion. These assets were managed by more than 35,000 UCITS (Undertakings for Collective Investments in Transferable Securities) and more than 30,000 AIFs (Alternative Investment Funds). At the end of Q3 2021, assets managed by European asset managers as investment funds and discretionary mandates amounted to an estimated EUR 31.3 trillion.

More information is available at [www.efama.org](http://www.efama.org)

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