

Dec. 6, 2019

VIA EMAIL

International Cooperation and Tax Administration Division
Centre for Tax Policy and Administration
Organisation for Economic Co-Operation and Development
taxpublicconsultation@oecd.org

Re: Comments on Public Consultation Document *Global Anti-Base Erosion Proposal (GloBE) – Pillar Two*

Ladies and Gentlemen:

This letter is submitted on behalf of the undersigned real estate organizations in response to the Public Consultation Document *Global Anti-Base Erosion Proposal (GloBE) – Pillar Two*, which was released by the OECD on Nov. 8, 2019. The undersigned organizations reiterate the recommendations set forth in Nareit's, the European Public Real Estate Association's (EPRA) and Fédération des Sociétés Immobilières et Foncières' (FSIF) Dec. 2, 2019 letters concerning Pillar Two, which requested the OECD to incorporate specific rules for real estate investment trusts (REITs) in the design of the GloBE proposal to prevent the imposition of minimum taxes on REITs.

Together, the members of the undersigned organizations represent the vast majority of constituent companies included in the [FTSE EPRA/Nareit Global Real Estate Index](#) and represent major operating real estate companies (including REITs) – companies that acquire, develop, lease, manage and opportunistically sell investment property. Our organizations have worked with the OECD for almost 20 years on various tax proposals and issues.

As Nareit's, EPRA's, and FSIF's Dec. 2, 2019 letters note, REITs do not raise the tax policy issues that are the target of the work under Pillar Two. The potential application of new minimum tax rules to REITs would undermine the policies underlying the REIT regimes that are in place in the United States, the European Union, and many other countries around the world.

The uniqueness of REITs and the variety of tax treatment in jurisdictions globally requires a more tailored solution. Providing special rules for REITs that prevent the imposition of minimum taxes under the GloBE proposal would be consistent with the OECD's long history of recognizing the special circumstances of REITs through the inclusion in its guidance of specific rules ensuring the appropriate treatment of cross-border investment in and by REITs.

We welcome the opportunity to provide comments on this important issue, and we would be happy to discuss these comments or to respond to questions or provide additional information that would be useful.

Please contact Steve Wechsler, Nareit's President & CEO, at swechsler@nareit.com if you would like to discuss this letter in greater detail.

Respectfully submitted,

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