



June 7, 2019

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

Michael J. Desmond  
Chief Counsel  
Internal Revenue Service  
1111 Constitution Ave NW  
Washington, DC 20024

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

**Re: SIFMA Recommendations for 2019-2020 Priority Guidance Plan**

Dear Mr. Kautter, Mr. Desmond and Mr. Paul:

The Securities Industry and Financial Markets Association (SIFMA)<sup>1</sup> welcomes the opportunity to comment on guidance projects in the 2019-2020 Priority Guidance Plan as requested by Notice 2019-30<sup>2</sup>. As explained by the Notice, the IRS and Treasury focused their efforts last year on guidance projects necessary to implement the Tax Cuts and Jobs Act, P.L. 115-97, and that prioritizing TCJA guidance during the 2019-2020 plan year will continue. The Notice noted that there were some projects listed in the 2018-2019 plan not related to TCJA that were not completed but that it is expected they will be carried over to the 2019-2020 plan, adding that there will be a limited number of new non-TCJA guidance projects in the coming year.

Our members support the decision to prioritize guidance under TCJA, and we appreciate the opportunity to comment on the proposed regulations under IRC Sections 59A, 163(j), 951A, and 1446(f) among many other new code sections. With regard to pre-TCJA laws and regulations, our

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<sup>1</sup>SIFMA 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>.

<sup>2</sup> <https://www.irs.gov/pub/irs-drop/n-19-30.pdf>

members also greatly appreciate the December 2018 proposed regulations issued under FATCA pursuant to the burden reduction mandates of E.O. 13777 and E.O. 13789<sup>3</sup> and the extension of transition relief under IRC 871(m) in Notice 2018-72. Nevertheless there are additional areas where our members believe guidance would be helpful to resolve important questions faced by our members and their clients. Such guidance would reduce the tax regulatory burden by clarifying existing law.

Please find below SIFMA's recommended priorities arranged in categories and further prioritized within those categories. SIFMA has commented recently on a number of these issues, including the Section 871(m) regulations, and proposed FATCA, and Section 305(c) regulations, and our comments continue to reflect the views of our members. Links to these and other SIFMA comment letters appear in the footnotes below.

1. Executive Orders 13777 and 13789 Burden Reduction
  - a. Regulations Under IRC Section 871(m)<sup>4</sup>
  - b. Finalize Proposed Regulations Under IRC Section 385<sup>5</sup>
  - c. Finalize Proposed Foreign Account Tax Compliance Act (FATCA)<sup>6</sup>
2. Other Priority Issues
  - a. Regulations Under IRC Section 446
  - b. Finalize Proposed Regulations Under IRC Section 305(c)<sup>7</sup>
  - c. Guidance Under IRC Section 1441 relating to Section 302 distributions<sup>8</sup>
  - d. Finalize Regulations Implementing De Minimis Error Safe-Harbor (Section 202 of the PATH Act, P.L. 114-113)<sup>9</sup>

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](mailto:ppeabody@sifma.org) should you have any questions.

Sincerely,



Payson R. Peabody  
Managing Director & Tax Counsel  
SIFMA

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<sup>3</sup> Regulations Reducing Burden under FATCA and Chapter 3, 83 Fed. Reg. 64757– 64768 (Dec. 18, 2018)

<sup>4</sup> <https://www.sifma.org/resources/submissions/regulatory-project-to-reduce-burdens-under-section-871m/>

<sup>5</sup> Proposed Removal of Section 385 Documentation Regulations, 83 Fed. Reg. 48265-48271 (Sept. 24, 2018)

<sup>6</sup> [https://www.sifma.org/wp-content/uploads/2019/03/SIFMA-Comment-Letter-on-FATCA-Burden-Reduction-Regs\\_022219.pdf](https://www.sifma.org/wp-content/uploads/2019/03/SIFMA-Comment-Letter-on-FATCA-Burden-Reduction-Regs_022219.pdf)

<sup>7</sup> <https://www.sifma.org/resources/submissions/sifma-submits-comments-to-the-irs-on-proposed-regulations-relating-to-deemed-distributions-under-code-section-305c-2/>

<sup>8</sup> <https://www.sifma.org/wp-content/uploads/2017/05/sifma-submits-comments-to-the-us-department-of-treasury-and-the-irs-on-new-escrow-procedures-relating-to-withholding.pdf>

<sup>9</sup> <https://www.regulations.gov/document?D=IRS-2018-0027-0005>

