

February 29, 2024

Manal S. Corwin
Director, Centre for Tax Policy and Administration
Organisation for Economic Co-operation and Development
2, rue André Pascal
75016 Paris
France

Dear Ms. Corwin:

The U.S. Chamber of Commerce's Association of American Chambers of Commerce in Latin America and the Caribbean (AACCLA) brings together 23 American Chambers that collectively represent over 80% of U.S. direct investment in the region. We are writing to express concern about local implementation challenges facing Pillar One of the OECD/G20 Inclusive Framework on BEPS's two-pillar solution to address the tax challenges arising from the digitalisation of the economy.

AACCLA commends the OECD for releasing the draft Multilateral Convention to Implement Amount A of Pillar One (MLC) in its entirety, along with its draft Explanatory Statement. The release of these highly anticipated documents represented an important step toward the goal of harmonizing tax criteria and establishing clear, administrable rules across member countries.

Nevertheless, AACCLA remains concerned about major challenges among Latin American countries to sign, ratify, and implement a final MLC. Indeed, we have already seen several Inclusive Framework member countries in the region adopt or introduce unilateral measures inconsistent with Pillar One commitments, including Digital Services Taxes (DSTs). This is fueling a climate of legal and investment uncertainty for companies due to the destabilizing effects of such uncoordinated, discriminatory measures. And while we appreciate the OECD's statement in December acknowledging the need to extend the moratorium on imposing newly enacted DSTs or relevant similar measures on any company, we encourage the OECD to formalize this extension as soon as possible. For obvious reasons, securing such an extension will be critical to reaching a workable, durable conclusion to the Pillar One process.



AACCLA respectfully urges the OECD to redouble its level of engagement with Inclusive Framework member countries throughout Latin America and the Caribbean to ensure proper alignment of domestic tax laws and procedures consistent with the final provisions of Pillar One. AACCLA and its members are prepared to engage constructively with the OECD in support of its critical efforts to enhance the certainty, stability, and administrability of global and regional tax environments through multilateral agreement and processes.

Sincerely,

A handwritten signature in cursive script that reads "Anne McKinney".

Anne McKinney
Executive Vice President, AACCLA
Vice President, Americas
U.S. Chamber of Commerce