

THE ASSOCIATION OF GLOBAL CUSTODIANS

THE BANK OF NEW YORK MELLON CORPORATION
BROWN BROTHERS HARRIMAN
CITIBANK, N.A.
HSBC SECURITIES SERVICES
JPMORGAN CHASE BANK, N.A.
NORTHERN TRUST
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STANDARD CHARTERED BANK
STATE STREET BANK AND TRUST COMPANY

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March 22, 2010

Via Courier

Courier Desk
Internal Revenue Service
Attn: CC:PA:LPD:PR (Notice 2009-43)
1111 Constitution Avenue, N.W.
Washington, D.C. 20224

**Re: Custodian Withholding Obligations With Respect to Distributions by
Publicly Traded Partnerships – Need for Guidance**

Dear Sir or Madam:

We write on behalf of the Association of Global Custodians (the “Association” or the “AGC”) and its member banks,¹ to submit for your consideration the attached request for guidance prepared by an Association task force on custodian withholding obligations with respect to distributions by publicly traded partnerships.

The Association respectfully requests the issuance of guidance regarding the withholding obligations of a custodian holding an interest in a publicly traded partnership to withhold tax from a distribution to a foreign partner. This guidance is urgently needed to clarify certain interpretive issues not clearly resolved by current guidance. These regulatory gaps lead to uncertainty for custodians and investors, potential withholding tax exposure for custodians, and potential over-withholding on distributions from publicly

¹ The Association is an informal group of nine global custodian banks that provide securities safekeeping services and related asset-servicing functions to cross-border institutional investors, including pension funds, insurance companies, and investment companies, many of which are organized in the United States. Members of the Association are listed on the letterhead above. As intermediary custodians, Association members operating in the United States necessarily act as withholding agents with respect to U.S. source income distributed in connection with customers’ securities holdings. It is estimated that Association members hold in custody investor assets valued in excess of \$US 45 trillion.

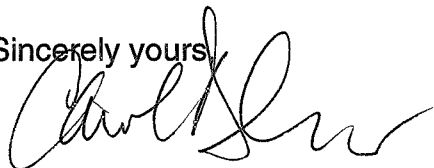
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traded partnerships. The issuance of the requested guidance would resolve significant issues relevant to custodians generally, promote sound tax administration, enable custodians and the Service to administer the law uniformly and efficiently, and reduce potential controversy. We would ask, therefore, that this item be added to the 2009-2010 Priority Guidance Plan at its next periodic update and that guidance, including temporary interim guidance if appropriate, be issued as quickly as possible.

The attached memorandum provides background and additional details for your consideration. The Association would appreciate an opportunity to meet with the responsible IRS and Treasury Department officials to discuss these issues. In the meantime, please do not hesitate to contact me at (202) 452-7049 if you have questions or need any further information.

Sincerely yours,



Carol A. Dunahoo
Baker & McKenzie LLP
Counsel to the Association of Global Custodians

cc: Steven Musher
Associate Chief Counsel (International)
Internal Revenue Service

Michael Danilack
Deputy Commissioner (International)
Internal Revenue Service

Manal Corwin
International Tax Counsel
Department of the Treasury

Attachment