



Secretary-General  
Secrétaire général

AG/2019.594.pb

4 December 2019

Dear Steven,

Thank you for your letter of 3 December and in particular your strong support for the OECD discussions and a multilateral agreement on digital taxation. We fully share your sense that the international tax system is under intense strain and that a global solution is needed to stop a proliferation of unilateral measures and to help us return to a stable international tax system that avoids double taxation and taxes net rather than gross income.

Let me also thank you personally for your involvement over the last 2 years in moving us forward in this process. To a large degree, it was the US tax reform that set the framework conditions within which we have advanced. It was also your personal involvement as well as that of your delegates that steered the international community away from seeking a narrow digital solution and introduced innovative proposals into the discussions. And it was also your personal interventions at G20 meetings that moved the discussions to a broader scope using a more formulaic approach and a new nexus concept that moved us beyond the tax rules as they currently stand.

We have already held two public consultations attended by stakeholders from around the world and like you, while noting broad support for existing rules, clearly identified the need for greater tax certainty and administrability. This is why the OECD proposal on a “Unified Approach” contains a very strong tax certainty dimension. Without it, there would be no conditions for achieving a consensus.

Throughout the extensive consultation process, however, we had so far not come across the notion that Pillar 1 could be a safe-harbour regime. We raise this concern, as it may impact the ability of the 135 countries that are now participating in this process, to move forward within the tight deadlines we established collectively in the Inclusive Forum.

Finally, at this critical juncture and to enable us to find the best way forward, I wonder if we could lure you to Paris to meet with Bruno and myself at your earliest convenience, ideally before Christmas.

Again thank you very much for all your support now and over the years.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Angel Gurría', with a stylized flourish at the end.

Angel Gurría

The Honorable Steven T. Mnuchin  
Secretary of the Treasury  
United States

Cc: Mr. Justin Muzinich, Deputy Secretary of the Treasury, United States  
Mr. Andrew B. Haviland, Chargé d’Affaires a.i., Permanent Mission of the United States to the OECD