

Memorandum to Mr. Bolin

DRAFT  
5-7-46

A preliminary examination has been made and the tax problems involved in the new paragraph<sup>19</sup> of the draft contract of service of the Managing Director dealing with benefits payable on death. United States tax experts are of the opinion that decisions of the courts make possible the assessment of any one or more of the following taxes on the death benefit:

- 1) United States income tax payable by the beneficiaries;
- 2) Belgian income tax assessed against the Managing Director and payable by his estate;
- 3) Belgian income tax payable by the beneficiaries;
- 4) United States estate tax payable by the estate;
- 5) Belgian estate tax payable by the estate.

The draft provides reimbursement for any Belgian income tax assessed against the Managing Director and payable by his estate. In accordance with the By-Laws, however, it does not provide reimbursement for any other taxes.