

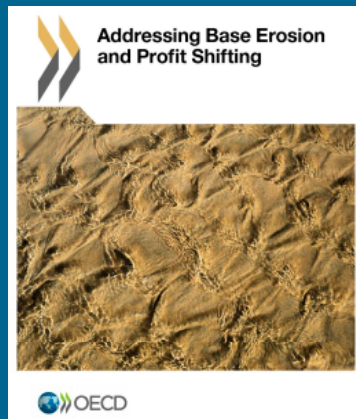
# **THE SEVENTH IMF-JAPAN HIGH-LEVEL TAX CONFERENCE FOR ASIAN COUNTRIES**

**BEN DICKINSON, HEAD OF TAX AND DEVELOPMENT, OECD**

**6 APRIL 2016**

## Outline

- Addressing International Tax Avoidance: Base Erosion and Profit Shifting (BEPS)– what next?
- Toolkits on BEPS and related issues.
- Capacity building



Diagnosis  
Feb 2013

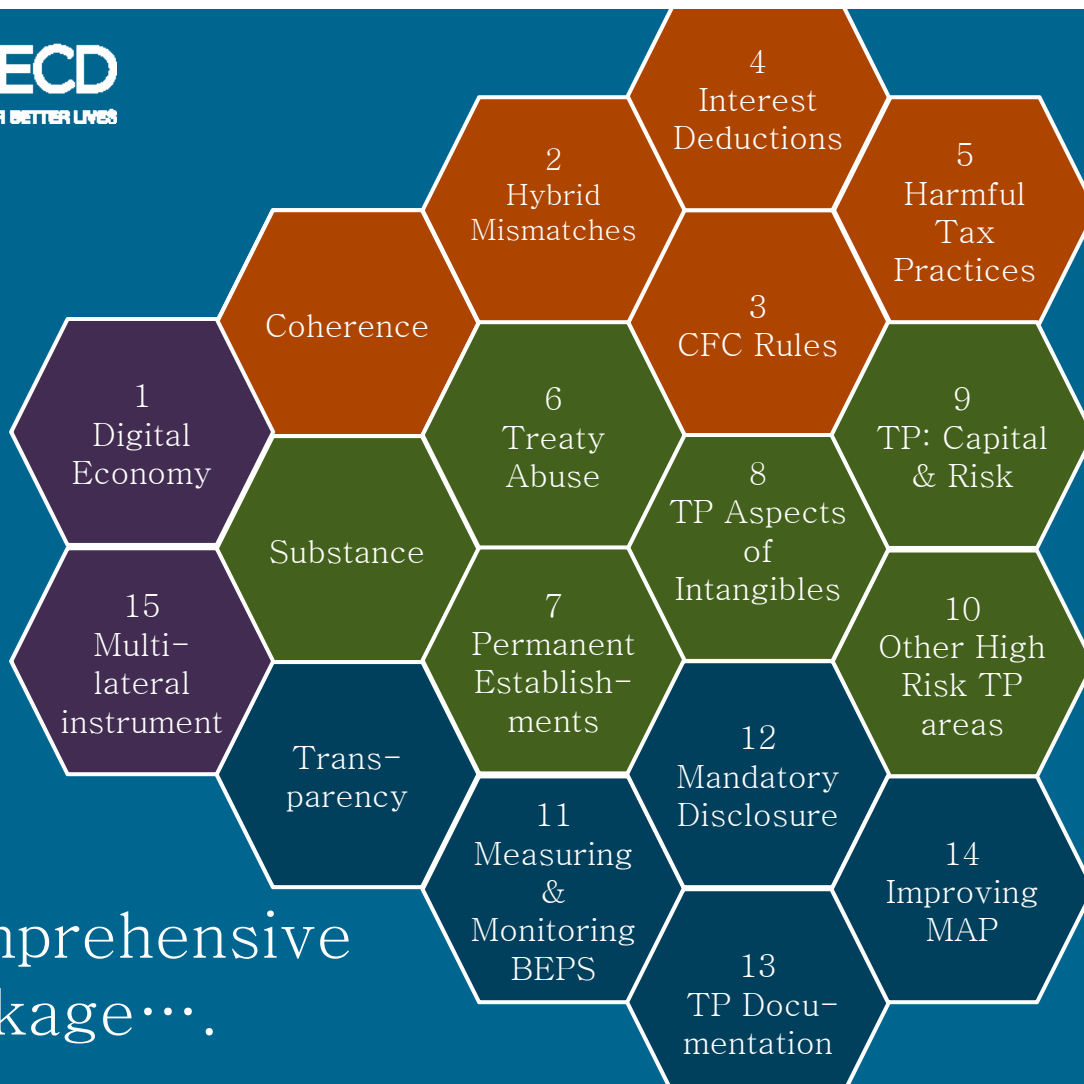


Action Plan  
July 2013



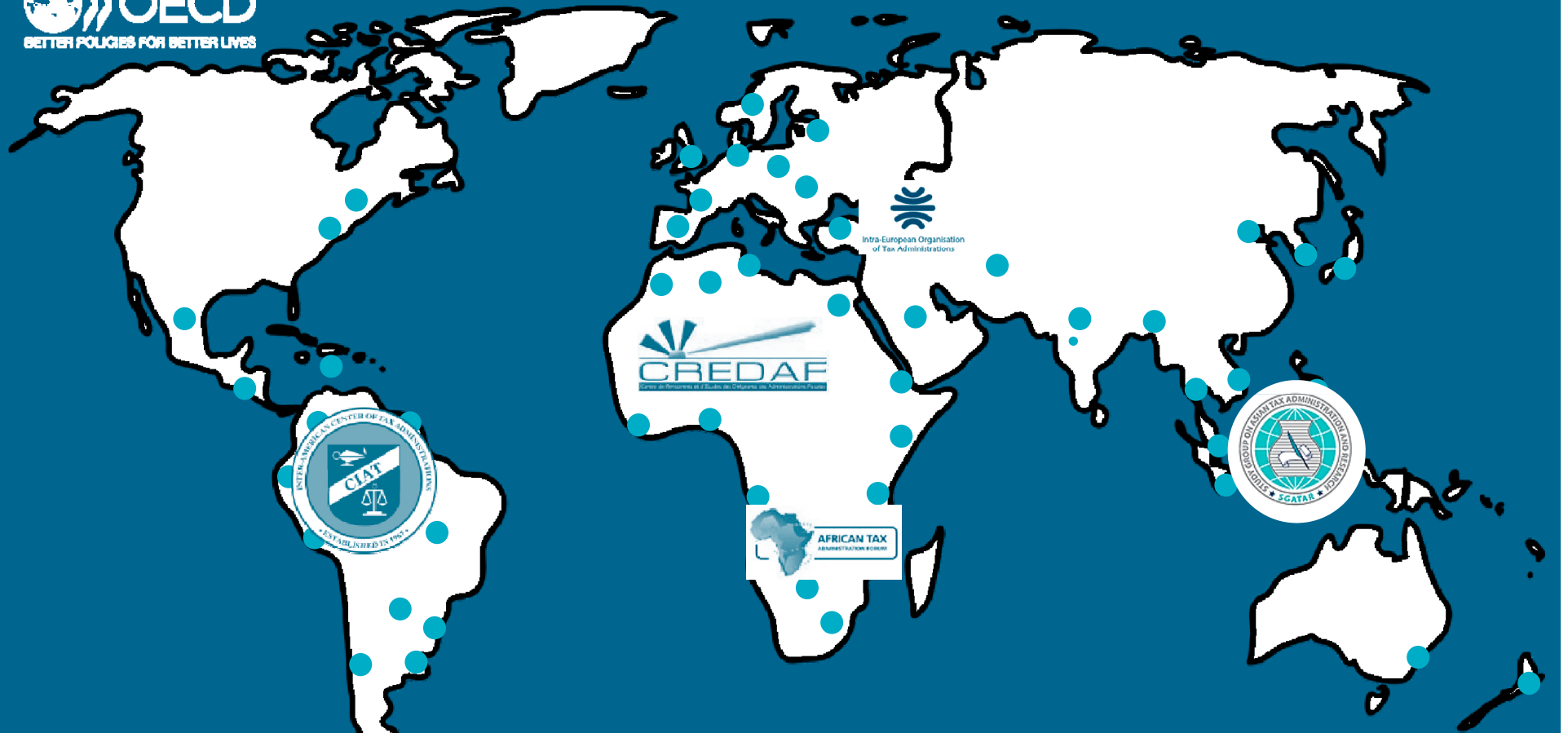
BEPS Package  
Oct 2015

# 1. BEPS : Diagnosis to Counter Measures



Comprehensive  
Package...

- 4 Minimum standards
- Reinforced international standards
- Common approaches and best practices for domestic law measures
- Analytical reports on Digital Economy and on measuring BEPS



... developed with broad participation

This presentation and any map included therein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

“... We, therefore strongly urge the timely implementation of the project and encourage all countries and jurisdictions, including developing ones, to participate. To monitor the implementation of the BEPS project globally, we call on the OECD to develop an inclusive framework by early 2016 with the involvement of interested non-G20 countries and jurisdictions which commit to implement the BEPS project, including developing economies, on an equal footing ...”

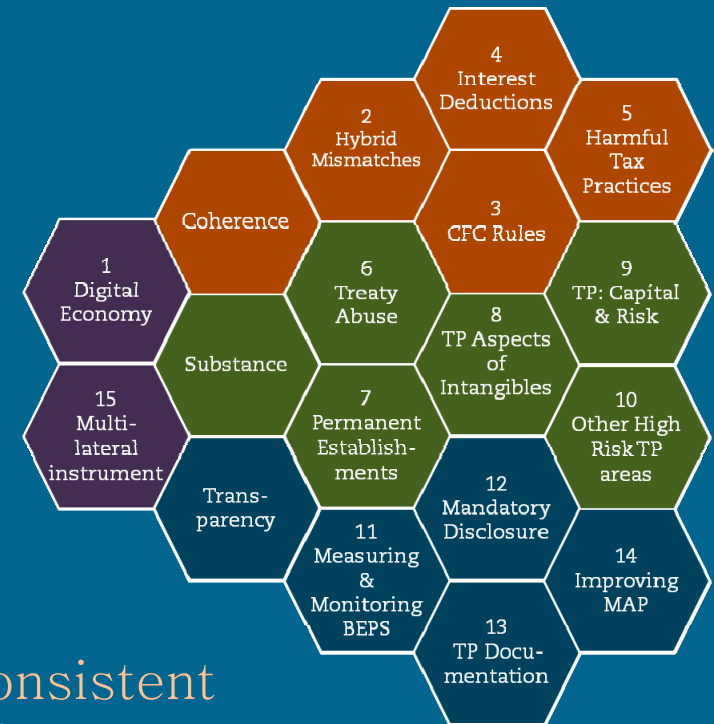
*G20 Leaders – Antalya November 2015*

## Objective of the Framework

- Enable all countries to
  - participate in the standard setting process in BEPS related issues
  - implement the BEPS Package

## Membership

- Interested countries who commit to the comprehensive BEPS Package and its consistent implementation can apply for membership
- Members will participate on equal footing



# Key activities and Benefits

- Implementing and monitoring Minimum Standards
  - Review mechanisms and timing may vary
    - per action
    - per type of country
- Follow-up Standard Setting
- Input to Toolkits (more later)
- Access to wealth of information, *e.g. rulings*
- Deciding on governance and structure
- Access to capacity building to support development of action plans for BEPS implementation and to tackle DRM challenges

Treaty Abuse

Harmful Tax Practices

CbC Reporting

Improving MAP



- The framework will be established by countries and jurisdictions which commit to the implementation of the BEPS package
- First meeting in
- on 30 June and 1 July 2016  
Kyoto, Japan



*Photo:  
Keith Pomakis*



## 2. Toolkits: G20 drive to simplify BEPS for developing countries

Combined effort of international organisations with regional tax organisations



### **Policy considerations & practical solutions**

- Sharing country experiences
- Overview of regulatory options
- Model legislation
- Guidance for tax administration
- Training materials



# Toolkits for lower capacity countries

1. Report on Tax Incentives	Nov 2015	IMF
2. Toolkit on Transfer Pricing Comparability <i>Incl. supplementary work on mineral pricing</i>	Oct 2016	OECD & WBG <i>OECD</i>
3. Report on Indirect Transfers of Assets	Jun 2016	IMF & OECD
4. Toolkit on Transfer Pricing Documentation	Oct 2016	OECD
5. Toolkit on Tax Treaty Negotiations	Dec 2016	OECD
6. Toolkit on Base Eroding Payments	Jun 2017	OECD
7. Toolkit on Supply Chain Management	Mar 2018	OECD
8. Toolkit on BEPS risk assessment	Mar 2018	OECD



# Toolkit on tax incentives-completed

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- Pros and cons
- Designing effective incentives
- Governance and transparency
- Evaluating effectiveness
- Encouraging international co-operation
  - To prevent ‘race to the bottom’ / harmful outcomes



## 2016 priority : Toolkit on TP comparables

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- Analysis of challenges in obtaining necessary data
- Case studies to illustrate a comparability analysis step-by-step
- Making better use of existing data sources
  - Accurately delineating the transaction and prioritising the relevant comparability factors
  - Comparability adjustments, including adjustments (where needed) for foreign comparables
  - Screening and interpreting data



# Toolkit on comparables

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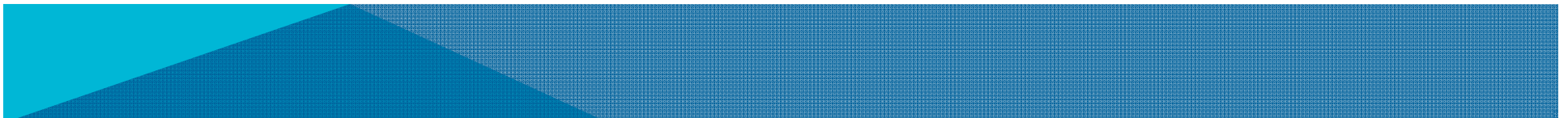
- Analysis of approaches that rely less (or less directly) on comparables, and when they are likely to be useful
  - E.g. Safe harbours, fixed margins, deemed pricing, use of alternative data sources
  - Other useful approaches e.g. joint examinations/ APAs, etc
  - Linkages to further guidance on profit split



## 3. Capacity development : Transfer Pricing

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- Delivered in partnership with the World Bank Group and European Commission
- 20 country programmes (hope to expand in Asia from Cambodia, Sri Lanka and Vietnam)
- Address other BEPS related issues in addition to transfer pricing, so that a holistic approach is taken to improving tax collection.
- **Impact:** Revised legislation aligned to international standards, improved risk assessment and governance process , increased revenue collection and a more certain and transparent investment climate.





# Capacity: Tax Inspectors Without Borders

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TIWB is a joint capacity building initiative of the OECD's Tax and Development Programme and UNDP.

Experienced tax auditors work with tax auditors from developing countries on real tax audit files.

- To date USD 185 million additional revenues attributable to TIWB.
- Vietnam: Increase in tax revenue from USD 3.9 million in 2013 to USD 40 million in 2014 = USD 36.1 million.
- Countries in Asia : not just recipients, but sources of expertise.



50  
YEARS

*Empowered lives. Resilient nations.*







Thank you

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