

Implementing the BEPS package

Building an inclusive framework

February 2016

BEPS: A global issue

- Domestic tax base erosion and profit shifting (BEPS) due to Multinational Enterprises exploiting gaps and mismatches between different countries' tax systems affects all countries. Developing countries' reliance on corporate income tax means they suffer from BEPS disproportionately.
- The OECD/G20 BEPS Project has delivered 15 Actions to tackle tax avoidance, to improve the coherence of international tax rules and to ensure a more transparent tax environment.
- Business operates internationally, so governments must act together to restore trust in domestic and international tax systems and ensure fair competition.

Working together

- All countries now have the chance to tackle BEPS, working collectively on an equal footing and in a co-ordinated manner to level the playing field.
- The mechanism to achieve this is an inclusive framework for the implementation of the BEPS package. G20 Finance Ministers and G20 Leaders have strongly urged the timely implementation of the comprehensive BEPS package.
- All countries and jurisdictions, whether developing or developed, are invited to participate in a new inclusive BEPS implementation forum.



■ Global CIT revenues ■ Estimated loss of revenue

BEPS results in a **loss of revenue** for governments, conservatively estimated between 4% and 10% of global corporate income tax (CIT).¹

Source: OECD, 2015.

All interested countries and jurisdictions can now join OECD and G20 member countries on an equal footing to implement the BEPS package.

1. OECD (2015), *Measuring and Monitoring BEPS, Action 11 - 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris.

Join an inclusive framework for the implementation of the BEPS package

Participants in this inclusive framework will take joint action to implement the BEPS Action items and will set additional standards. They will commit to implementing the BEPS package of minimum standards.

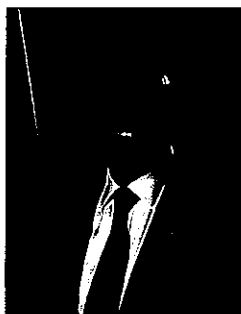
Developing countries lose around USD 100 billion per year in revenues due to tax avoidance practices.²

Source: UNCTAD, 2015

What are the benefits and opportunities?

The benefits of participating in the BEPS inclusive framework include:

- Implementing measures protecting your tax base, such as the development of provisions to avoid treaty abuse and provisions for Country-by-Country Reporting.
- Being part of an inclusive dialogue on an equal footing to directly shape the standard setting and monitoring processes on BEPS issues.
- Accessing capacity building support for the implementation process including guidance on developing Action Plans for BEPS implementation.



"The BEPS Project has shown that all stakeholders can come together to bring about change. Swift implementation by governments will ensure a more certain and more sustainable international tax environment for the benefit of all, not just a few".

Angel Gurría

OECD Secretary-General, speaking at G20 Lima Meeting of Finance Ministers, 9 October 2015

Next steps

- The participants in the BEPS inclusive framework will meet in Kyoto, Japan on 30 June and 1 July 2016.
- Additional information on expressing your interest in joining the BEPS inclusive framework will be available soon. The OECD Secretariat will assist potential members with any issues relating to the commitment process.
- Questions and informal expressions of interest are welcome, and should be directed to: CTP.BEPS@oecd.org.

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2. UNCTAD (2015), *World Investment Report 2015 - Reforming International Investment Governance*.