



06 June 2017

1. OECD BEPS Multilateral Instrument to be signed in Paris

The signing ceremony of the multilateral instrument to modify bilateral tax treaties will take place on 7 June in Paris with more than 70 countries expected to sign the new tax convention multilateral instrument.

The formal adoption of the OECD multilateral instrument took place in November 2016, and follows up on the OECD BEPS Action Point 15. The multilateral instrument is expected to mitigate the problems arising from the alternative - implementation of the OECD BEPS measures by virtue of modifying thousands of bilateral double taxation conventions.

The OECD 2017 Forum and the ministerial meetings to be held in Paris June 6-7 shall also discuss the impacts of globalisation on societies, with central emphasis on the need for global policies that win back the confidence of those who feel left behind globalisation. The OECD Forum topics include discussion on the unprecedented speed of technological developments and their implications, with working title 'How can we bridge divides to build more inclusive societies?'

The text of the OECD Multilateral Convention to implement base erosion and profit shifting measures related to tax treaty changes is available [here](#).

2. Pascal Saint-Amans: Ending secrecy is the new frontier in international tax

The OECD Head of tax policy Pascal Saint-Amans in [an interview for Fairfax Media](#), said that a new 'battle' in international tax area will be fought in revelation of the ultimate beneficial ownership and secret identities behind shell companies and opaque trusts.

According to Pascal Saint-Amans, the next step would include access to the beneficial ownership registers, without specifying whether this should include public access to beneficial ownership information: 'Access to beneficial ownership information is probably the new frontier in fighting tax evasion. It would be fantastic to be able to fly to Mars but let us first fly to the Moon', OECD Tax Policy director said on the issue of public access to beneficial ownership registers.

The European Union Member States are currently in the process of implementing the 4th EU Anti-Money Laundering Directive, with some member states, including the European Parliament, considering granting public access to beneficial ownership registers.

3. OECD invites comments on Hard-To-Value Intangibles discussion draft

The OECD published a [discussion draft](#) on the implementation of BEPS Action Point 8: Hard-To-Value Intangibles. Public comments on the discussion draft which provides guidance on the OECD approach to transfer-pricing of hard-to-value intangibles (Chapter VI of the OECD Transfer-Pricing Guidelines) are invited by 30 June 2017.

The OECD Final Report on Actions 8/10 of October 2015 (“Aligning Transfer Pricing Outcomes with Value Creation”) mandated development of guidance on the implementation of the recognised approach to transfer-pricing of hard-to-value intangibles.

According to the OECD, the discussion draft does not represent a final position of the Committee on Fiscal Affairs, rather examples illustrating the application of this approach and the interaction between the pricing of hard-to-value intangibles and the MAP procedure under an applicable double tax treaty.

4. EU and China begin State Aid control dialogue

The European Commission and China have started a dialogue on establishing a mechanism of cooperation between EU and China in the field of State Aid control. This action is part of Commission’s efforts to create a global level playing field where companies compete on basis of their merits, and to prevent public policies that are highly distortive or restrictive of the competition.

EU Commissioner Margrethe Vestager stated: *“Decisions by one country to grant a subsidy to a company that operates globally may affect competition elsewhere. The European Commission is pleased to start a discussion with China on how to best handle state intervention in the economy.”*

China is the world's third largest economy and the EU's second largest trading partner. The EU is China's biggest trading partner. The control of State Aid is likely to be one of the important topics to be discussed also during the Brexit negotiations between the EU and the United Kingdom.

5. EU Platform Tax Good Governance Meeting to be held on 15 June

A meeting of the EU Platform Tax Good Governance will take place on 15 June in Brussels. The CFE participates as member of the Platform Tax Good Governance. CFE representatives to the Platform, Stella Raventos (Chairwoman of the Fiscal Committee) and Piergiorgio Valente (CFE President), will coordinate CFE contributions to the Discussion Papers of the meeting.

The Platform for Tax Good Governance assists the European Commission in developing initiatives to promote good governance in tax matters in third countries, to tackle aggressive tax planning and to identify and address double taxation. It brings together expert representatives from business, tax professional and civil society organisations and enables a structured dialogue and exchange of expertise which can feed into a more coordinated and effective EU approach against tax evasion and avoidance.

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