

## BIAC TAX UPDATE: OCTOBER 2016

### BEPS ACTION PLAN UPDATE

Further to the release of 15 BEPS Action Reports in 2015, the G20/OECD BEPS Project has continued throughout 2016. In February 2016, the BEPS Inclusive Framework was announced, which enables all willing jurisdictions to participate in the BEPS project on an equal footing to the OECD/G20 countries. Since June, BIAC has responded in writing to numerous discussion drafts (summary of these is included below) and attended the public consultation hosted in July 2016 on the Multilateral Instrument. Further, BIAC has continued to engage in regional and national level government meetings, providing business perspectives on BEPS to representatives, for example at the Latin America and Caribbean BEPS Regional Meeting in Montevideo on 22 September.

### REGIONAL INITIATIVE IN EAST ASIA

#### G20 CHENGDU

On 23 July, the BIAC Tax Committee Chair joined the OECD Secretary-General, G20 Finance Ministers, and other global leaders at a High-Level Tax Symposium in Chengdu, China. The two main topics on the agenda were *Tax policies for innovation-driven and inclusive growth* and *Increasing tax certainty to promote investment and trade in a world where value creation is changing*.

#### SAT MEETING BEIJING

On 20 July, Senior Members of the BIAC Tax Bureau met in Beijing with a team of high-level officials from China's State Administration of Taxation to discuss the "Thousand Companies Project". This meeting was a high point in a very successful, and ongoing, dialogue between BIAC and the SAT.

#### KYOTO INCLUSIVE FRAMEWORK

BIAC representatives joined the OECD and representatives from over 80 governments in Kyoto at the OECD's Committee of Fiscal Affairs meeting on 30 June/1 July. In a panel session of the full plenary meeting, BIAC highlighted the importance of tax certainty in creating a favourable investment climate and shared early experiences of BEPS implementation.

#### KEIDANREN TOKYO

BIAC was invited to speak at the Keidanren Tax Conference on BEPS interaction and tax policy on 4 July in Tokyo, focusing on what BEPS changes will mean for Japanese businesses globally. BIAC Tax Bureau members provided interventions on all three panels covering the full spectrum of BEPS Actions; from unilateral domestic implementation to tax treaty and transfer pricing changes.

The Business and Industry Advisory Committee to the OECD  
Comité consultatif économique et industriel auprès de l'OCDE

## TAX ISSUE HIGHLIGHTS

### INDIRECT TAXES

The BIAC Technical Advisory Group on VAT/GST continues to work closely with the tax policy community, and, as well as attending meetings with the OECD on 21st/22nd September, has been sought out to assist a number of national tax authorities with VAT reform during 2016.

### COMMON REPORTING STANDARD

A group of 40 specialists from our Business Advisory Group met with government representatives and the OECD on 14th September to discuss concerns about and share experiences of the implementation of the standard.

### TAX AND DEVELOPMENT

BIAC continues its outreach activities to non-OECD major economies and will meet with a number of non-OECD governments in early 2017 to discuss tax reform. In July, BIAC responded to a request for input from the Platform for Collaboration on Tax (a joint initiative between the OECD, UN, IMF and World Bank Group) regarding Effective Capacity Building on Tax Matters in Developing Countries.



BIAC also participated in the USCIB-OECD-BIAC Tax Conference held in Washington D.C. in June 2016, pictured above L-R: Pascal Saint-Amans (OECD), Robert Stack (U.S. Treasury), Marty Sullivan (Tax Analysts), Will Morris (BIAC), Pam Olson (PwC)

## BIAC Tax Committee Chair

**William Morris, Chair, BIAC**  
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## Meetings Schedule

**11-12 October 2016** OECD Public Consultation on Attribution to PE and Profit Splits

**27 October 2016** BIAC Tax Committee Meeting

**25-27 January 2017** OECD Committee on Fiscal Affairs

**21-23 February 2017** VAT Technical Advisory Group Meeting

## PREVIEW OF COMING WORK

Over the next few months, we expect the finalization of the BEPS reports from the OECD, with common approach recommendations on interest deductibility, new transfer pricing guidance and the release of the text of the multilateral instrument. More countries are expected to sign up to the BEPS Inclusive Framework and BIAC will continue to advocate for consistent and coherent implementation of the consensus BEPS recommendations globally.

The OECD will present proposals on increasing tax certainty at the G20 in 2017, and is gathering experience from corporate tax payers as part of this process. The need for tax certainty to enable cross-border trade and investment has been something BIAC has advocated consistently, and we will support this project however we can.

## RECENT PUBLICATIONS (HYPERLINKS)

### CONSULTATION RESPONSES

**19 Sept 2016** [BEPS Action 2: Branch Mismatch Structures](#)

**8 Sept 2016** [BEPS Action 4: Approaches to Address BEPS Involving the Banking and Insurance Sectors](#)

**5 Sept 2016** [BEPS Actions 8-10: Revised Guidance on Profit Splits](#)

**5 Sept 2016** [BEPS Actions 8-10: Additional Guidance on the Attribution of Profits to Permanent Establishments](#)

**16 Aug 2016** [BEPS Action 4: Group Ratio Rule](#)

**16 Aug 2016** [BEPS Actions 8-10: Conforming Changes to the Transfer Pricing Guidelines](#)

**8 July 2016** [Platform for Collaboration on Tax: Effective Capacity Building on Tax Matters in Developing Countries](#)

**30 June 2016** [BEPS Action 15: Development of a Multilateral Instrument to Implement the Tax Treaty related BEPS Measures](#)

### PUBLIC STATEMENTS

**21 July 2016** [BIAC Meets with China's State Administration of Taxation](#)

**July 2016** [BIAC Statement on Public Country by Country Reporting \("CbCR"\)](#)

**July 2016** [Updated BIAC BEPS Position Paper](#)

**July 2016** [BIAC BEPS Flyer](#)