



William Morris

Chair, BIAC Tax Committee
13/15, Chaussée de la Muette, 75016 Paris
France

Mr. Pascal Saint-Amans

Director, Centre for Tax Policy and Administration
Organisation for Economic Cooperation and Development
2 rue André-Pascal
75775, Paris, Cedex 16
France

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RE: IMPROVING DISPUTE RESOLUTION MECHANISMS IN TANDEM WITH CHANGES TO INTERNATIONAL TAX RELATED TO DIGITALISATION

Dear Pascal,

As highlighted in the OECD's March 2018 interim report on *Tax Challenges Arising from Digitalisation*, effectiveness of fundamental international tax standards (notably in relation to nexus, attribution, data and characterisation) continue to be discussed at the OECD. We understand the Inclusive Framework (IF) members are committed to work towards a consensus-based, global solution on these matters with delivery of a final report expected in 2020, and that key meetings are upcoming that will set the parameters on which this consensus may be based.

As the voice for business at the OECD, we stress the importance of continuing work to improve dispute resolution mechanisms (BEPS Action 14) in tandem with any changes made to the international tax framework. Effective dispute resolution is a critical factor in the success of both the BEPS recommendations, and will also be in this project. To the extent changes are made to fundamental international tax norms such as nexus and attribution, improving the effectiveness and efficiency of dispute resolution mechanisms will be critical to prevent businesses from suffering double taxation, particularly where new concepts will be used that may be subject to differing interpretations. Given that many of the changes that appear to be being considered will require changes to double tax treaties, we believe this process should also encompass strengthening dispute resolution in these instruments.

We remain convinced that the OECD is the only organisation that can lead a global consensus on tax standards that meet the demands of the 124 IF members in the modern economy, and we hope that this project leads to sustainable changes that will maintain the integrity of the system for years to come. Accordingly, we feel that this is a critical opportunity to engage all IF members in committing to strengthened procedures that will reduce uncertainty and double taxation in tandem with the changes that could otherwise increase these risks.

Thank you for the opportunity to comment, and we stand ready to help further in any way that we can.

Sincerely,

Will Morris
Chair BIAC Tax Committee

cc: Achim Pross, Martin Kreienbaum