Working Party No. 8 on Tax Avoidance and Evasion

APPLICATION OF THE REVISED RECOMMENDATIONS: TAX DEDUCTIBILITY OF BRIBES

(Questions from the Secretariat of the Bribery Group)

Delegates are reminded to address their answers, to the Secretariat before 7 November 2000.

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APPLICATION OF THE REVISED RECOMMENDATION
(Tax deductibility of bribes)

15. Tax Deductibility of Bribes

15.1 Do you provide guidance to your tax authorities in guidelines, tax manuals etc on how to identify suspicious payments likely to be bribes? If so give a brief summary.

15.2 In identifying whether a particular payment constitutes a bribe payment, please describe the categories of expenses, and methods of payment that your tax examiners would examine to identify suspicious payments that could be bribe payments to a foreign public official.

15.3 In the case of a suspicious payment or presumption of abuse, does the burden of proof shift from the tax authorities to the taxpayer (to prove that the payment is legitimate)?

15.4 Do your tax authorities share information about suspicious transactions with the prosecutorial authorities?

15.5 Have your tax authorities permitted tax deductions for payments to foreign public officials that fall within an exception to the offence (e.g. small facilitation payments or a payment permitted by the written law of the foreign public official’s country - Commentaries 8, 9), or a defence to the offence?