

**REGIONAL MEETING OF THE INCLUSIVE FRAMEWORK ON BEPS
FOR LATIN AMERICA & THE CARIBBEAN**

Montevideo (Uruguay), 21-23 September 2016

CO-CHAIR'S SUMMARY

Mr. Fernando Serra Semiglia¹ and Mr. Marcio Ferreira Verdi² co-chaired the first regional meeting of the Inclusive Framework on BEPS for Latin America and the Caribbean (LAC). The meeting was hosted by Uruguay and organised in partnership with the OECD, the World Bank Group (WBG), the Inter-American Center of Tax Administrations (CIAT) and the Inter-American Development Bank (IADB). This discussion summary was prepared and shared by the co-chairs with all participating countries.

This regional event follows the first meeting of the Inclusive Framework held in Kyoto, Japan, on 29 June - 1 July 2016, and its objective was to update participants on the outcomes of the Committee on Fiscal Affairs' (CFA) work, including its governance and membership. Other important objectives of the meeting were: i) discussion on the implementation of the BEPS Package with particular reference to the minimum standards; ii) the work on toolkits aimed at addressing developing countries' needs; iii) to prepare delegates for participation in the upcoming meetings of the Inclusive Framework; and iv) to receive input and feedback, in particular on the LAC countries' specific needs in terms of capacity building and priorities.

The meeting was attended by 57 participants and, in particular, by delegates from 10 LAC countries (Argentina, Brazil, Dominican Republic, Ecuador, El Salvador, Honduras, Jamaica, Panama, Paraguay, Uruguay), by representatives from the civil society (BEPS Monitoring Group, Latindadd, Oxfam, Academia and from the business community (BIAC, Unilever).

Pablo Ferreri³ opened the meeting, welcoming all participants and focusing on the important recent developments in meeting international standards and transparency in the context of broader tax reform by Uruguay, such as the signature of the Convention on Mutual Administrative Assistance (MAC), already ratified by the Congress. He also highlighted the importance of the Inclusive Framework and the enlargement of the CFA to include new members, particularly commending this regional meeting as an important opportunity to bring all LAC countries into the heart of the debate and to the decision-making process on international BEPS related standards. On behalf of CIAT, Marcio Ferreira Verdi also welcomed the participants,



¹ Director of the Tax Advisory Department, Ministry of Economy and Finance of Uruguay

² Executive Secretary of the CIAT

³ Vice Minister of Economy and Finance, Ministry of Economy and Finance of Uruguay

highlighting the historical precedence represented by the launch of the Inclusive Framework in Kyoto.

The agenda focussed on the following topics:

- The organisation of the Inclusive Framework on BEPS
- The implementation of the minimum standards
- Open session for business and civil society organisations
- The latest developments in the Forum on Harmful Tax Practices
- The latest developments in the Working Party 6 on the taxation of multinational enterprises
- The follow-up work on BEPS-related standard setting
- The latest developments in the Working Party 1 on tax treaties and in the Ad Hoc Group on the Multilateral Instrument
- The latest developments in Working Party 11 on aggressive tax planning
- Countries priorities and capacity building, under the Platform for Collaboration on Tax
- The toolkit on lack of comparables data for transfer pricing purposes
- The toolkit on transfer pricing documentation
- The toolkit on indirect transfer of assets

Key messages and conclusions

1. Participants recognized the importance of the Inclusive Framework and the need to implement the BEPS measures consistently. At the same time, strong concerns for the timing of implementation were raised and countries welcomed the possibility of having different timelines for implementation by new members, together with an increased flexibility. The co-chairs highlighted that countries joining the IF should not be penalised due to a lack of resources and that they should be given appropriate time for implementation.

2. NGOs and business representatives raised the point of broader access to documents in order to better support the non-OECD countries, as well as the problems connected with the lack of information available in Spanish. On this subject, the OECD representatives announced that the 2015 BEPS reports will soon be available in Spanish.

3. Participants expressed concerns for the high level of complexity and resources needed to implement the BEPS measures, especially for countries with tax administrations struggling with low capacity.

4. In this context, participants reiterated the request and the need for training and for effective capacity building initiatives. In this regard, they welcomed the regional meetings and the other initiatives that the Inclusive Framework will put in place (e.g. twinning programmes) in order to facilitate the participation by the said countries in the project. In addition, participants proposed to identify direct support possibilities on specific issues by CIAT and the other IOs, including training on treaty negotiation, support in the mutual agreement procedures and on Multilateral Instrument-related issues.

5. The enhanced co-operation among international organisations (IMF, OECD, UN and WBG) and between the IOs and the CIAT was also appreciated as a better way to get access to capacity building, as well as the co-operation with development banks such as the IADB.
6. Participants expressed the need for training on tax treaties and welcomed the direction of the work on transfer pricing and on the toolkits, particularly interested in possible simplified approaches or practical guidance.
7. The need for increased transparency and exchange of information was highlighted by the countries as an area of priority, in the context of better regional co-operation,.
8. Countries expressed the need to participate in upcoming regional meetings and all possible initiatives in the region that can provide access to information and best practices, in order to minimize the impact on resources which participation in all the OECD meetings in Paris would require.
9. Some countries expressed concerns on the consequences derived from not being able to partially or fully implement the BEPS measures contemplated in the IF, considering their own priorities and specific countries' features.
10. The discussion covered several technical aspects, in particular on the minimum standards, and participants had the opportunity to receive feedback from the OECD representatives on specific questions . They also formulated more detailed queries that the OECD representatives will forward directly to the relevant units in charge of the various action items. It was further agreed that countries will feed the technical work after the meeting by following up by responding to surveys and providing comments on the documents that were presented to them.

