

# OECD/G20 Inclusive Framework on BEPS

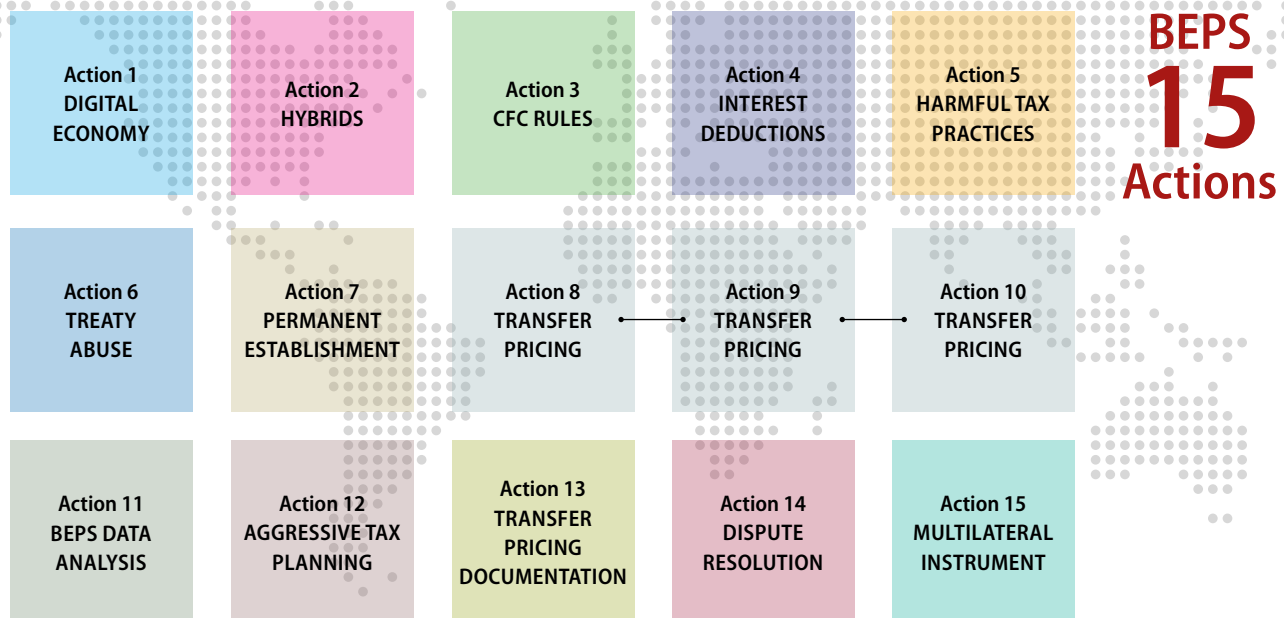
## Base erosion and profit shifting (BEPS)

BEPS refers to tax planning strategies that exploit gaps and mismatches in tax rules to artificially shift profits to locations with no/low tax rates and no/little economic activity, resulting in:

- **little or no corporate tax** being paid.
- **annual revenue losses for governments of at least 100 – 240 billion USD**, equivalent to **4 – 10%** of global corporate income tax revenue.

### 2015

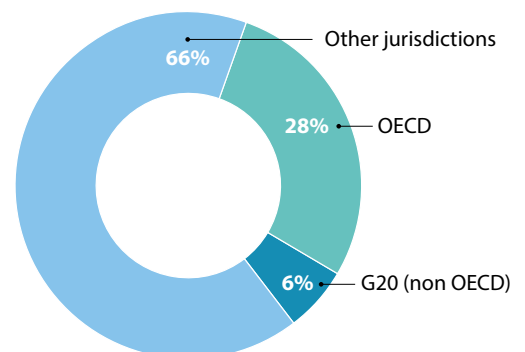
Under the **OECD/G20 BEPS Project**, over 60 countries delivered 15 Actions to tackle tax avoidance, improve the coherence of international tax rules and ensure a more transparent tax environment (BEPS package).



### 2016

The **OECD/G20 Inclusive Framework on BEPS (IF)** was established to ensure interested countries and jurisdictions, including developing economies, can participate on an equal footing in the development of standards on BEPS related issues, while reviewing and monitoring the implementation of the OECD/G20 BEPS Project.

Over 130 Members of the Inclusive Framework



### 2017

The first high-level signing ceremony of the **Multilateral Instrument (MLI)** took place. To date, more than 85 jurisdictions have signed the **MLI**, which enables the efficient implementation of tax treaty related BEPS measures without the need to bilaterally renegotiate individual tax treaties. Over 1 500 tax treaties will be modified.



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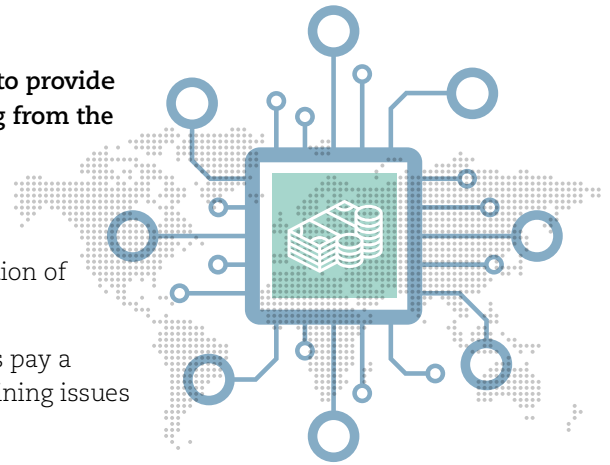
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2018/19

The IF members have developed a *Programme of Work* which aims to provide consensus-based, long-term solutions to the tax challenges arising from the digitalisation of the economy by 2020.

It will explore:

- under a **first pillar**, potential solutions for determining the allocation of taxing rights (“nexus and profit allocation”),
- under a **second pillar**, the design of a system to ensure that MNEs pay a minimum level of tax on profits. This is intended to address remaining issues identified by the OECD/G20 BEPS Project.



- **IF working parties and groups** are now carrying out the technical work under the guidance of the **IF Steering Group**. Building on the previous consultations on BEPS, a set of **regional outreach events** on digitalisation will be carried out in partnership with regional organisations and development banks.
- **Plenary meetings of the IF on BEPS generally take place twice a year: in January at the OECD in Paris, and in May/June in general in an IF member country.**
- **To become a member of the IF, a country or jurisdiction needs to commit to the BEPS package and pay an annual membership fee of 20 500 EUR** (subject to annual adjustment for inflation).

5th meeting of the Inclusive Framework in Lima, Peru on 27 – 28 June 2018



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