

**CO-CHAIR STATEMENT
ON THE
MEETING OF THE OECD TASK FORCE ON TAX AND DEVELOPMENT ON BASE
EROSION AND PROFIT SHIFTING (BEPS) IN DEVELOPING COUNTRIES¹**

Paris, March 2016

The OECD's Task Force on Tax and Development met in Paris, France, on 1 March 2016, to discuss the new inclusive framework proposed by the OECD for the global implementation of the BEPS project and to take stock of capacity building initiatives underway to support developing countries on their domestic resource mobilisation efforts. Over 180 participants from governments, international and regional organisations, civil society and business participated. We welcomed the role the Task Force can play in helping developing countries to participate in the future global standard setting process and the implementation of the BEPS package to ensure countries raise revenues efficiently and fairly.

The meeting provided a valuable opportunity to obtain the views and inputs of all stakeholders, including business and civil society on the inclusive framework for BEPS implementation to ensure it meets the needs of developing countries. We strongly welcomed the opportunity for interested countries and jurisdictions, which commit to implement the BEPS project, including developing countries, to join the framework on an equal footing. Many developing country participants expressed their interest in joining the framework, noting the opportunity for inclusive dialogue and future standard setting on international taxation. We recognised that developing countries face specific challenges in BEPS implementation and that these should be appropriately addressed under the framework. The meeting noted that developing countries will need intensive technical support and capacity building if they are to effectively implement the BEPS package.

In that regard, we welcomed the increasing attention being paid to capacity building on tax matters and the need to work on the fundamental building blocks of tax administration and tax policy, together with strengthening our ability to address international tax avoidance and evasion. All stakeholders, including business and civil society, have a role in this effort. We took note of progress made under the joint ATAF/EC/OECD/WBG programme on transfer pricing, the importance of south-south cooperation under the OECD/UNDP Tax Inspectors Without Borders partnership, and the commitment made by donors to double their support to tax systems development under the Addis Tax Initiative by 2020. The Task Force reaffirmed the importance for international and regional organisations, donors, the private sector and business to work coherently to deliver assistance to avoid duplication and fragmented initiatives.

In particular, we welcomed the international effort to develop G20 mandated practical tools to translate the BEPS Action Items into approaches suitable for developing countries wherever needed, and on related topics. We were encouraged by the progress being made on the toolkit to assist developing countries to address difficulties in accessing comparables data and in using approaches to apply internationally accepted principles in the absence of comparables. We also welcomed the work being done on the toolkit to assist developing countries on transfer pricing documentation requirements. The feedback from the meeting's breakout sessions highlighted the challenges tax administrations and taxpayers in developing countries face in accessing data that is suitable for comparability purposes and the need for the toolkit to provide simple implementable solutions. Participants also highlighted the need for the documentation toolkit to provide clear guidance on how the Country-by-Country Report should be used for risk assessment purposes. Finally, we noted the

¹ This statement reflects the views of the Co-Chairs and not necessarily those of all stakeholders.

proposed platform for cooperation by the IMF/OECD/UN/WBG will help deliver these collective outputs.

Encouraged by the excellent progress the Task Force is making on tax and development we plan to meet again in plenary in 2017.

Immediate Next Steps

We propose that the Task Force will

- Encourage developing countries to join the inclusive framework for BEPS implementation and attend the first meeting in Kyoto Japan, 30 June- 1 July 2016.
- Support the development of 7 further toolkits to translate the BEPS deliverables into user friendly guidance for developing countries by 2018.
- Starting now, fully endorse the ATAF/EC/OECD/WBG transfer pricing capacity building support to address the full range of BEPS challenges in developing countries.
- Support the Tax Inspectors Without Borders programme project to increase the number of TIWB deployment programmes to 20 by the end of 2017 and 30 by the end of 2018.

About the OECD Task Force on Tax and Development

Co-Chaired by South Africa and the Netherlands, the Task Force is a multi-stakeholder advisory group set up to help to improve the enabling environment for developing countries to collect taxes fairly and effectively. More information is available on the [Tax and Development website](#).