OECD/G20 Base Erosion and Profit Shifting Project

Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 2)

INCLUSIVE FRAMEWORK ON BEPS: ACTION 13



OECD

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Foreword

The integration of national economies and markets has increased substantially in recent years, putting a strain on the international tax rules, which were designed more than a century ago. Weaknesses in the current rules create opportunities for base erosion and profit shifting (BEPS), requiring bold moves by policy makers to restore confidence in the system and ensure that profits are taxed where economic activities take place and value is created.

Following the release of the report Addressing Base Erosion and Profit Shifting in February 2013, OECD and G20 countries adopted a 15-point Action Plan to address BEPS in September 2013. The Action Plan identified 15 actions along three key pillars: introducing coherence in the domestic rules that affect cross-border activities, reinforcing substance requirements in the existing international standards, and improving transparency as well as certainty.

After two years of work, measures in response to the 15 actions were delivered to G20 Leaders in Antalya in November 2015. All the different outputs, including those delivered in an interim form in 2014, were consolidated into a comprehensive package. The BEPS package of measures represents the first substantial renovation of the international tax rules in almost a century. Once the new measures become applicable, it is expected that profits will be reported where the economic activities that generate them are carried out and where value is created. BEPS planning strategies that rely on outdated rules or on poorly co-ordinated domestic measures will be rendered ineffective.

Implementation is now the focus of this work. The BEPS package is designed to be implemented via changes in domestic law and practices, and in tax treaties. With the negotiation of a multilateral instrument (MLI) having been finalised in 2016 to facilitate the implementation of the treaty related BEPS measures, over 85 jurisdictions are covered by the MLI. The entry into force of the MLI on 1 July 2018 paves the way for swift implementation of the treaty related measures. OECD and G20 countries also agreed to continue to work together to ensure a consistent and co-ordinated implementation of the BEPS recommendations and to make the project more inclusive. Globalisation requires that global solutions and a global dialogue be established which go beyond OECD and G20 countries.

A better understanding of how the BEPS recommendations are implemented in practice could reduce misunderstandings and disputes between governments. Greater focus on implementation and tax administration should therefore be mutually beneficial to governments and business. Proposed improvements to data and analysis will help support ongoing evaluation of the quantitative impact of BEPS, as well as evaluating the impact of the countermeasures developed under the BEPS Project.

As a result, the OECD established the Inclusive Framework on BEPS, bringing all interested and committed countries and jurisdictions on an equal footing in the Committee on Fiscal Affairs and all its subsidiary bodies. The Inclusive Framework, which already has more than 130 members, is monitoring and peer reviewing the implementation of the minimum standards as well as completing the work on standard setting to address BEPS issues. In addition to BEPS members, other international organisations

and regional tax bodies are involved in the work of the Inclusive Framework, which also consults business and the civil society on its different work streams.

This report was approved by the Inclusive Framework on BEPS on 19 July 2019 and prepared for publication by the OECD Secretariat.

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Abbreviations and acronyms

AEOI	Automatic Exchange of Information
BEPS	Base Erosion and Profit Shifting
CAA	Competent Authority Agreement
CbC	Country-by-Country
CbCR	Country-by-Country Reporting
CFS	Consolidated Financial Statements
CRS	Common Reporting Standard
CTS	Common Transmission System
DTA	Double Taxation Arrangement
DTC	Double Tax Convention
EOI	Exchange of Information
EU	European Union
FAQ	Frequently Asked Questions
FATCA	Foreign Account Taxpayer Compliance Act
MAAC	Convention on Mutual Administrative Assistance in Tax Matters
MCAA	Multilateral Competent Authority Agreement
MNE	Multinational Enterprise
OECD	Organisation for Economic Co-operation and Development
PE	Permanent Establishment
QCAA	Qualifying Competent Authority Agreement
SPE	Surrogate Parent Entity
TIEA	Tax Information Exchange Agreement
TP	Transfer Pricing
UPE	Ultimate Parent Entity
XML	Extensible Mark-up Language

Executive summary

Context of Country-by-Country Reporting

A key component of the transparency pillar of the Base Erosion and Profit Shifting (BEPS) minimum standards is the obligation for all large multinational enterprise groups (MNE Groups) to file a Country-by-Country (CbC) report. The Action 13 Report (*Transfer Pricing Documentation and Country-by-Country Reporting*) provides a template for these MNE Groups to report annually, and for each tax jurisdiction in which they do business, the amount of revenue, profit before income tax and income tax paid and accrued, as well as the number of employees, stated capital, retained earnings and tangible assets. MNE Groups should also identify each entity within the group doing business in a particular jurisdiction and provide an indication of the business activities each entity engages in. In 2018 for the first time, tax authorities around the world received information on large foreign headed MNE Groups which was not previously available, enabling them to grasp the structure of the businesses while enhancing their risk assessment capacity.

In general, the Ultimate Parent Entity (UPE) of an MNE Group will prepare and file its CbC report with the tax administration in its jurisdiction of tax residence. That tax administration will automatically exchange the CbC report with the tax administrations in the jurisdictions listed in the CbC report as being a place in which the MNE Group has a Constituent Entity resident for tax purposes. This will be carried out under an International Agreement (such as the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAAC) or a Double Tax Convention (DTC) or a Tax Information Exchange Agreement (TIEA) permitting automatic exchange of information (AEOI). A Qualifying Competent Authority Agreement (QCAA) which sets out the operational details of the exchange of CbC reports will need to be in place.

As one of the four BEPS minimum standards, the Country-by-Country reporting (CbCR) requirements contained in the 2015 Action 13 Report are subject to peer review in order to ensure timely and accurate implementation and thus safeguard the level playing field. All members of the Inclusive Framework on BEPS commit to implementing the Action 13 minimum standard and to participating in the peer review, on an equal footing. The peer review process focuses on three key elements of the minimum standard: (i) the domestic legal and administrative framework, (ii) the exchange of information (EOI) framework and (iii) the appropriate use of CbC reports.

Implementation of CbC Reporting is well underway as the peer review process evidences: over 80 jurisdictions have now introduced an obligation for relevant MNE Groups to file a CbC report in their domestic legal framework.

Scope of this review

This is the second annual peer review for the Action 13 minimum standard. It covers 116 jurisdictions which provided legislation and /or information relating to the implementation of CbC Reporting.

For each jurisdiction, the review covered the domestic legal and administrative framework, the exchange of information framework and measures in place to ensure the appropriate use of CbC reports.

Key findings

The key findings of the second annual peer review are as follows:

- ***Domestic legal and administrative framework***: Over 80 jurisdictions have a domestic legal framework for CbC reporting in place, though a small number of these require secondary legislation or administrative guidance to implement a requirement for the filing of CbC reports. In addition, a few jurisdictions have final legislation approved that is awaiting official publication. In this peer review report, 41 jurisdictions have received a general recommendation to put in place or finalise their domestic legal or administrative framework and 17 jurisdictions received one or more recommendations for improvements to specific areas of their framework.
- ***Exchange of information framework:*** In total, 67 jurisdictions have multilateral or bilateral competent authority agreements in place, effective for taxable periods starting on or after 1 January 2016, or on or after 1 January 2017.
- ***Confidentiality:*** Of the jurisdictions included in this review, 73 have undergone an assessment by the Global Forum on confidentiality and data safeguards in the context of implementing the AEOI standard and did not receive any action plan. In contrast, 12 jurisdictions are currently working on an action plan issued by the Global Forum as a consequence of its review.
- ***Appropriate use:*** Since the first annual peer review, an additional 19 jurisdictions have provided detailed information, enabling the CbC Reporting Group to obtain sufficient assurance that measures are in place to ensure the appropriate use of CbC reports. This brings the total number of jurisdictions with such measures in place to 58.

A number of Inclusive Framework members are not included in this peer review report, either because they joined the Inclusive Framework after 1 October 2018 (at which point it was too late to incorporate them into the current peer review process) or they opted out of the peer review in accordance with the peer review terms of reference. Jurisdictions opting out of the peer review are required to confirm that they do not have any resident entities that are the UPE of an MNE group above the consolidated revenue threshold and that they will not require local filing of CbC reports. Members of the Inclusive Framework that are not included in this peer review report are:

- Antigua and Barbuda
- Armenia
- Burkina Faso
- Cabo Verde
- Cook Islands

- Dominica
- Dominican Republic
- Faroe Islands
- Greenland
- Grenada
- Morocco
- Saint Kitts and Nevis
- Saint Vincent and the Grenadines

Next steps

The peer review of the Action 13 minimum standard is an annual review taking place in 2017-18, 2018-19 and 2019-20. The next annual peer review ("phase three") will commence in 2019 and will aim to review all the jurisdictions of the Inclusive Framework, focusing on progress made by jurisdictions to address recommendations in this peer report.

Chapter 1. The review of the BEPS Action 13 minimum standard on Country-by-Country Reporting

1.1. Background

1. The Country-by-Country (CbC) reporting requirements contained in the 2015 Action 13 Report form one of the four BEPS minimum standards. Each of the four BEPS minimum standards is subject to peer review in order to ensure timely and accurate implementation and thus safeguard the level playing field. All members of the Inclusive Framework on BEPS commit to implementing the Action 13 minimum standard and to participating in the peer review, on an equal footing.

2. The purpose of a peer review is to ensure the effective and consistent implementation of an agreed standard and to recognise progress made by jurisdictions in this regard.

3. The peer review is a review of the legal and administrative framework put in place by a jurisdiction to implement the CbC reporting standard. This peer review is a separate exercise to the 2020 review to evaluate whether modifications to the CbC reporting standard should be made.

1.2. Outline of the key aspects assessed in the annual report

4. This annual report contains the findings of the second annual peer review process ("phase two"), undertaken by an Ad Hoc Joint Working Party 6 / Working Party 10 sub-group referred to as the "CbC Reporting Group", which focuses on each jurisdiction's domestic legal and administrative framework, its exchange of information network, and its measures to ensure the appropriate use of CbC reports.

5. The structure of each individual section relating to a reviewed jurisdiction is as follows:

- summary of key findings
- domestic legal and administrative framework
- exchange of information
- appropriate use
- a table summarising any recommendations issued.

6. Jurisdictions which have joined the Inclusive Framework after 1 October 2018 have not been reviewed as part of this second annual peer review process. These jurisdictions will be included in the next annual peer review process starting in 2019.

7. This peer review evaluates an Inclusive Framework member's implementation of the Action 13 minimum standard against an agreed set of criteria.[1] These criteria are set out in terms of reference, which include each of the elements that a jurisdiction needs to demonstrate it has fulfilled in order to show proper implementation of the standard. These

terms of reference are supplemented by additional questions concerning measures implemented by a jurisdiction to ensure the appropriate use of CbC reporting information. The Action 13 Report recommended that the first CbC reports be required to be filed for fiscal years beginning on or after 1 January 2016. It was however acknowledged that some jurisdictions may need time to follow their particular domestic legislative process in order to make necessary adjustments to the law. In this respect, the peer review takes account of the specific timeline followed by certain jurisdictions, and the review will focus on the efforts taken by these jurisdictions in order to meet their commitment to implement the minimum standard.

8. The manner in which the peer review is undertaken is set out in an agreed methodology. The methodology sets out the procedural mechanisms by which jurisdictions will complete the peer review, including the process for collecting the relevant data, the preparation and approval of reports, the outputs of the review and the follow up process.

9. The methodology recognises that the three key aspects of CbC reporting will be implemented and become operational over the coming years, starting with the domestic legal and administrative framework being put in place generally from 2016, followed by the international exchanges of CbC reports to occur for the first time by mid-2018, and the work to ensure that CbC reports are kept confidential and used appropriately in any subsequent tax compliance actions.

10. Given the fact not all of these three key aspects are being implemented at the same time, these three key aspects will be reviewed according to a staged approach. A staged review enables the review of aspects of CbC reporting to occur as they are implemented, starting in 2017 and allowing for the early detection of inconsistencies in implementing the minimum standard as well as providing an opportunity for early remedial action to be taken by jurisdictions, if necessary.

11. There are three phases for the peer review structured into annual reviews, starting respectively in 2017, 2018 and 2019. Each phase will focus on different key aspects of jurisdictions' implementation so as to mirror the staged introduction of the different elements that make up the CbC reporting and exchange of information framework.

12. An annual review process allows the CbC Reporting Group to report each year to the Inclusive Framework, taking into account any updates since the previous review, as well as any follow-up actions by reviewed jurisdictions to address any recommendations made by the Inclusive Framework.

13. The Global Forum has conducted preliminary expert assessments of confidentiality and data safeguards with respect to the standard on automatic exchange of information. Given its expertise in this area, the CbC Reporting Group has relied on the work and conclusions of the Global Forum. As it contains non-public information on jurisdictions' internal systems and procedures, the outcomes of that work are not published and no further details of the review of confidentiality are provided in this compilation of peer review reports.

14. The terms of reference and methodology do not alter the Action 13 minimum standard. Any terms used in the terms of reference or methodology take their meaning from the language and context of the 2015 Action 13 Report and the references therein. Capitalised terms in this report take their meaning from the language and context of the 2015 Action 13 Report and the references therein.

15. The jurisdictions' individual sections in this report generally reflect the status of implementation as of 31 March 2019, with the exception of information on the number of activated relationships for the exchange of CbC reports which reflects the position as of 31 May 2019.

Notes

[1] www.oecd.org/tax/beps/beps-action-13-on-country-by-country-reporting-peer-review-documents.pdf (approved by the Inclusive Framework on 20 January 2017).

Chapter 2. Peer review reports

Andorra

1. Andorra was first reviewed during the 2017/2018 peer review. This report is supplementary to Andorra's 2017/2018 peer review report (OECD, 2018[1]). Since the last peer review, Andorra has introduced legislation in order to implement CbC Reporting requirements. The first filing obligation for a CbC report in Andorra applies to reporting fiscal years commencing on or after 1 January 2018.

Summary of key findings

2. Andorra's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]), except for the following:

- It is recommended that Andorra take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Andorra will not be exchanging CbC reports in 2019.
- It is recommended that Andorra take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review. It is however noted that Andorra will not be exchanging CbC reports in 2019.

3. Andorra's 2017/2018 peer review included a recommendation that Andorra finalise its domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible. Andorra now has the primary law in place to impose and enforce CbC requirements. The recommendation with respect to domestic legal and administrative framework issued in the 2017/2018 peer review is removed.

4. Andorra's 2017/2018 peer review included a recommendation that Andorra take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which will meet the confidentiality, consistency and appropriate use prerequisites and with which Andorra has international agreements which allow for the automatic exchange of tax information. Bilateral relationships are now in place so the recommendation is removed.

Part A: The domestic legal and administrative framework

5. Andorra's 2017/2018 peer review included a recommendation that Andorra implement its legislation for CbC filing requirements as soon as possible. The Law amending Law 95/2010 on Corporate Income Tax which implements CbC reporting has entered in effect as of 17 May 2018. Andorra has now legislation in place which implements the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.

(a) Parent entity filing obligation

6. No changes were identified with respect to the parent entity filing obligation.[1]

(b) Scope and timing of parent entity filing

7. CbC Reporting requirements apply as of 1 January 2018. No other changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

8. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

9. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

10. No changes were identified with respect to the effective implementation.

Conclusion

11. Since the 2017/2018 peer review, Andorra has implemented domestic legislation to impose CbC reporting requirements therefore the recommendation on that has been removed. Andorra meets all the terms of reference (OECD, 2017[2]) relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

12. Andorra's 2017/2018 peer review included a recommendation that Andorra take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which will meet the confidentiality, consistency and appropriate use prerequisites. The recommendation is now removed.

13. As of 31 May 2019 Andorra has 54 bilateral relationships in place for the exchange of CbC reports, activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of tax information, Andorra has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that currently meet the confidentiality, consistency and appropriate use conditions. Regarding Andorra's exchange of information framework, no inconsistencies with the terms of reference were identified.[2]

(b) Content of information exchanged

14. Andorra does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template is present in the information exchanged.

(c) Completeness of exchanges

15. Andorra does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

16. Andorra does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

17. Andorra does not have process or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

18. Andorra does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

19. Andorra indicates that it will use the OECD XML Schema and User Guide for the international exchange of CbC reports (OECD, 2017[3]).

(h) Method for transmission

20. Andorra indicates that it will use the Common Transmission System to exchange CbC reports.

Conclusion

21. Andorra's 2017/2018 peer review included a recommendation that Andorra take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which will meet the confidentiality, consistency and appropriate use prerequisites and with which Andorra has international agreements which allow for the automatic exchange of tax information. Bilateral relationships are now in place so the recommendation is removed.

22. It is recommended that Andorra take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Andorra will not be exchanging CbC reports in 2019.

Part C: Appropriate use

Appropriate use

23. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Andorra to take steps to have measures in place relating to appropriate use remains in place. It is however noted that Andorra will not be exchanging CbC reports in 2019.

24. No information or peer input was received for the reviewed jurisdiction in respect of appropriate use.

Conclusion

25. The recommendation for Andorra take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remain in place. It is however noted that Andorra will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	It is recommended that Andorra take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.
Part C	Appropriate use	It is recommended that Andorra take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Notes

[1] Andorra's 2017/2018 peer review included a monitoring point relating to the threshold calculation rule which would be applied in a manner consistent with the OECD guidance on currency fluctuations OECD (2018). This monitoring point remains in place.

[2] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Angola

1. Angola was first reviewed during the 2017/2018 peer review. This report is supplementary to Angola's 2017/2018 peer review report (OECD, 2018[1]). There is no filing obligation for a CbC report in Angola yet.

Summary of key findings

2. Angola does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. At this time Angola estimates that the legislation will come into effect in 2019. It is recommended that Angola take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Angola take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Angola has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Angola take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Angola take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Angola will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Angola does not yet have legislation in place for implementing the BEPS Action 13 minimum standard although we note that drafting is taking place.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. No changes were identified with respect to the effective implementation.

Conclusion

13. There is no change in relation to the domestic legal and administration framework for Angola since the previous peer review. The recommendation in the 2017/18 peer review, that Angola take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, remains in place.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, Angola has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Angola take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Angola has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

15. Angola does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. Angola does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

17. Angola does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

18. Angola does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Angola does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

20. Angola has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

21. Angola has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports

Conclusion

22. The recommendation in the 2017/2018 peer review, for Angola to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Angola has an international exchange of information agreement in effect that allows for the automatic exchange of tax information, remains.

23. Further, it is recommended that Angola take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.

24. It is however noted that Angola will not be exchanging CbC reports in 2019.

Part C: Appropriate use

25. Angola does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Angola to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

26. There is no change to the conclusion in relation to the appropriate use for Angola since the previous peer review. The recommendation for Angola to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that Angola will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Angola take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Angola take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Angola has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Angola take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Angola take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Anguilla

1. This report is Anguilla's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. The first filing obligation for a CbC report in Anguilla commences on or after the 1 January 2019.

Summary of key findings

2. Anguilla's implementation of the Action 13 minimum standard meets all applicable terms of reference.

Part A: The domestic legal and administrative framework

3. Anguilla has primary law in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations.

(a) Parent entity filing obligation

4. Anguilla has primary law which imposes a CbC filing obligation on Ultimate Parent Entities of MNE Groups which have a consolidated group revenue above a certain threshold, whereby all required Constituent Entities of the MNE Group are included in the CbC report and no entity is excluded from CbC Reporting other than permitted by the Action 13 report.

5. No inconsistencies were identified with respect to Anguilla's domestic legal framework in relation with the parent entity filing obligation.

(b) Scope and timing of parent entity filing

6. The first filing obligation for a CbC report in Anguilla commences in respect of fiscal years beginning on 1 January 2019. The CbC report must be filed within 12 months of the last day of the fiscal year of the MNE Group.

7. No inconsistencies were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

8. Anguilla does not have a local filing requirement.

(d) Limitation on local filing in case of surrogate filing

9. Anguilla does not have a local filing requirement.

(e) Effective implementation

10. Anguilla has legal mechanisms in place to enforce compliance with the minimum standard: there are notification requirement in place that apply to Anguillan entities. There are also penalties in place in relation to the non-filing or inaccurate filing of a CbC report.

11. Anguilla has a process to take appropriate measures in case it is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Anguilla reports that Section 8 of its CbC regulations will be used. The competent authority may, by notice in writing, require an entity to give the competent authority within 14 days any information that the competent authority may reasonably require for any purpose related to the administration or enforcement of these regulations.

Conclusion

12. Anguilla meets all the terms of reference with regard to its domestic and legal framework.

Part B: The exchange of information framework

(a) Exchange of information framework

13. As of 31 May 2019, Anguilla has 34 bilateral relationships in place for the exchange of CbC reports including those activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, Anguilla has taken steps to have Qualifying Competent Authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions[1]. Regarding Anguilla's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

14. Anguilla has processes and is implementing written procedures that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged. As Anguilla will not be exchanging CbC reports yet no recommendation is given and the implementation will be monitored.

(c) Completeness of exchanges

15. Anguilla has processes and is implementing written procedures that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA. As Anguilla will not be exchanging CbC reports yet no recommendation is given and the implementation will be monitored

(d) Timeliness of exchanges

16. Anguilla has processes and is implementing written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs. As Anguilla will not be exchanging CbC reports yet no recommendation is given but the implementation will be monitored

(e) Temporary suspension of exchange or termination of QCAA

17. Anguilla has processes and is implementing written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA. As Anguilla will not be exchanging CbC reports yet no recommendation is given but the implementation will be monitored

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

18. Anguilla has processes and is implementing written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

19. Anguilla confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) the international exchange of CbC reports.

(h) Method for transmission

20. Anguilla indicates that it will use the Common Transmission System to exchange CbC reports.

Conclusion

21. Anguilla has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Anguilla meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

22. Anguilla is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. It is therefore not necessary for this peer review evaluation to reach any conclusions with respect to appropriate use of the reports.

Conclusion

23. Anguilla is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. It is therefore not necessary for this peer review evaluation to reach any conclusions with respect to Anguilla's compliance with paragraphs 11(a), (b), (c) and (d) and paragraph 12(a) of the terms of reference on appropriate use.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-.
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Argentina

1. Argentina was first reviewed during the 2017/2018 peer review. This report is supplementary to Argentina's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Argentina commences on or after the 1 January 2017.

Summary of key findings

2. Argentina's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

3. Argentina's 2017/2018 peer review included a recommendation that Argentina take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Argentina now has measures in place to ensure the appropriate use of information in all six areas identified in the OECD *Guidance on the Appropriate Use of Information contained in CbC Reports* (OECD, 2017[4]). The recommendation with respect to appropriate use issued in the 2017/2018 peer review is removed.

Part A: The domestic legal and administrative framework

4. Argentina has secondary law[1] in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements, including filing and reporting obligations. Primary law is not necessary as Argentina relies on existing powers in the Tax Administration Act 1997 that allow the Federal Public Revenue Administration to enact laws to regulate the administration of taxes.[2] Guidance has also been issued.[3]

(a) Parent entity filing obligation

5. Argentina's 2017/2018 peer review included a monitoring point relating to the annual consolidated group revenue threshold, which could be incompatible with the guidance on currency fluctuations if local filing requirements were applied in respect of a Constituent Entity (which is a Argentinian tax resident) of an MNE Group which does not reach the threshold as determined in the jurisdiction of the Ultimate Parent Entity of such Group. Argentina confirmed that that the rule will be interpreted in line with the OECD guidance on currency fluctuations and the amendments to the secondary law[4]. The monitoring point is therefore removed.

(b) Scope and timing of parent entity filing

6. No changes were identified with respect to the parent entity filing obligation.

(c) Limitation on local filing obligation

7. Argentina's 2017/2018 peer review included a general monitoring point with respect to local filing conditions. Amendments to the secondary law[5] modified the previous provisions so local filing may be required only in circumstances where there is a current international agreement between Argentina and the residence jurisdiction of the Ultimate

Parent Entity, but no Qualifying Competent Authority Agreement in effect which is in line with the terms of reference. Local filing may also be required in Argentina when "*there would be a Systematic Failure by the tax jurisdiction of the Ultimate Parent Entity*". In light of this, Argentina has also amended its definition of Systemic failure, to be in accordance with the minimum standard.[6] The monitoring points are therefore removed.

(d) Limitation on local filing in case of surrogate filing

8. No changes were identified with respect to the limitation on local filing in case of surrogate filing.[7]

(e) Effective implementation

9. Argentina's 2017/2018 peer review included a monitoring point relating to the absence of specific processes in place that would allow Argentina to take appropriate measures in case it is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Argentina indicates that its domestic framework allows the Federal Administration of Public Revenue to take the necessary action. It also clarified that in the event of an anomaly or a filing error, the company will be requested by the tax authorities to file an amending declaration and these corrected CbC reports will be further exchanged with the relevant jurisdictions. The monitoring point is therefore removed.

Conclusion

10. There is no change to the conclusion in relation to the domestic legal and administration framework for Argentina since the previous peer review. Argentina meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Argentina has 64 bilateral relationships, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, Argentina has taken steps to have Qualifying Competent Authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[8] [9] Regarding Argentina's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. Argentina has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these procedures.

(c) Completeness of exchanges

13. Argentina has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. There is an internal control board that allows Argentina to have an up-to-date list of jurisdictions with which

Argentina has QCAAs in place. The list of jurisdictions is also continually updated in the official website dedicated to CbC Reporting.

(d) Timeliness of exchanges

14. Argentina has processes in place to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.[10]

(e) Temporary suspension of exchange or termination of QCAA

15. Argentina has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. Argentina estimates that if this situation was to occur, the Tax Administration would consult the Department of International Information Management and the concerned Competent Authority prior to making a determination that those conditions set out in the QCAA have occurred.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Argentina has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. Argentina confirms that any suspension of exchange of information would only be carried out as stated in the conditions established in the QCAAs.

(g) Format for information exchange

17. Argentina confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

18. Argentina indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

19. Argentina has in place the necessary processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Argentina meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

20. The 2017/2018 peer review included a recommendation that Argentina take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Argentina has provided details in relation to these measures, enabling it to answer "yes" to the additional questions on appropriate use as per the OECD *Guidance on the Appropriate use of Information contained in CbC Reports* (OECD, 2017[4]). In light of the update provided by Argentina the recommendation on appropriate use is removed.

Conclusion

21. Argentina meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Secondary law consists of General Resolution 4130-E of 19 September 2017. Argentina has also issued an amendment to the secondary law, General Resolution No. 4332/18, ensuring that the definitions, terms and conditions set out in the legislation are in accordance with the OECD Model Legislation.

[2] In addition, on 27 December 2018, the Executive Power has released the Decree No. 1170/2018 that modified the General Regulation of the Income Tax Law (Decree No. 1344/44) expressly foresees the three-tiered approach on Transfer Pricing Documentation according to BEPS Action 13.

[3] See www.afip.gob.ar/multinacionalesDDJJ/regimenes/informe-pais-por-pais/informe-pais-por-pais.asp and www.afip.gob.ar/multinacionalesDDJJ/default.asp#ayuda, as well as related webpages.

[4] General Resolution No. RESOG-2018-4332-E-AFIP, Article 1, sections a) and b) includes a clarification to this point.

[5] General Resolution No. RESOG-2018-4332-E-AFIP, Article 1, section c).

[6] General Resolution No. RESOG-2018-4332-E-AFIP, Article 1, section g).

[7] Argentina notes that that some explanations on the limitations on local filing are displayed on AFIP's official website in a Q&A format, for the taxpayers to check, in accordance with item V of the guidelines for the preparation and submission of country-by-country reports. See: www.afip.gob.ar/genericos/guiavirtual/directorio_subcategoria_nivel3.aspx?id_nivel1=563id_nivel2=569&id_nivel3=2495

[8] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[9] On 31 October 2018, Argentina also deposited a Unilateral Declaration on "the effective date for exchanges of information under the Multilateral Competent Authority Agreement on the exchange of Country-by-Country Reports" with the Depository of the Convention on Mutual Administrative Assistance in Tax Matters to allow for an earlier date of entry into effect of the Convention for jurisdictions that will sign the Convention at a later date.

[10] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

Aruba

1. This report is Aruba's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. There is no filing obligation for a CbC report in Aruba yet.

Summary of key findings

2. Aruba does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Aruba take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

3. It is recommended that Aruba take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Aruba has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Aruba take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Aruba take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

6. It is however noted that Aruba will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Aruba does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

8. Aruba does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2018 fiscal year.

9. It is recommended that Aruba take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

10. Aruba does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Aruba. It is recommended that Aruba take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Aruba has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Aruba take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Aruba has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

12. Aruba does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

13. Aruba does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

14. Aruba does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

15. Aruba does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Aruba does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

17. Aruba has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

18. Aruba has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

19. It is recommended that Aruba take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Aruba has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

20. Further, it is recommended that Aruba take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Aruba will not be exchanging CbC reports in 2019.

Part C: Appropriate use

21. Aruba does not yet have measures in place relating to appropriate use. It is recommended that Aruba to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

22. It is recommended that Aruba take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information. It is however noted that Aruba will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Aruba take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Aruba take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Aruba has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Aruba take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.
Part C	Appropriate use	It is recommended that Aruba take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Australia

1. Australia was first reviewed during the 2017/2018 peer review. This report is supplementary to Australia's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Australia applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Australia's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

3. Australia's 2017/2018 peer review included a recommendation that Australia amend its rules or otherwise ensure that its administrative practice operates in a way whereby local filing is only required in the circumstances contained in the terms of reference. Australia has published updated guidance on 1 February 2018 which amends its administrative practice in order for local filing to operate in accordance with the terms of reference. As such, the recommendation with respect to local filing issued in the 2017/2018 peer review is removed.

Part A: The domestic legal and administrative framework

4. Australia has primary law in place which implements the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.[1] Guidance has also been published and updated on 1 February 2018.[2]

(a) Parent entity filing obligation

5. Australia's 2017/2018 peer review included a monitoring point in relation to the fact that its legislation did not include the situation of an Ultimate Parent Entity that does not prepare Consolidated Financial Statements, but would be required to do so if its equity interests were traded on a public securities exchange in its jurisdiction of tax residence (i.e. the "deemed listing provision"). However, the legislation includes a provision which confers on the Commissioner the authority to make a determination with respect to a "global parent entity" if the Commissioner reasonably believes that, if such statements had been prepared for the period, the entity's annual global income for the period would have been above the threshold for the filing obligation.[3] Australia reports an update in this respect: on 8 May 2018, the Australian Government presented its annual Budget which included an announcement that it would amend the definition of a significant global entity [4] the intent being to align more closely the automatic operation of the definition of a significant global entity to the "deemed listing provision" as provided in the terms of reference (paragraph 18.i. of the terms of reference), without the need for the Commissioner to use the determination power mentioned above or other information gathering powers.[5] Draft legislation has been released for consultation.[6] As legislation has not yet been passed, the monitoring point remains in place.

6. Australia's 2017/2018 peer review included a monitoring point relating to the annual consolidated revenue filing threshold which may be incompatible with the OECD guidance on currency fluctuations (OECD, 2018[5]).[7] Guidance was expected to be published which would include an example on "differing currency thresholds", clarifying that Australia's provisions should operate consistently with the OECD guidance. This guidance has been published on 1 February 2018[8] and as such, the monitoring point is removed. No other changes were identified with respect to the parent entity filing obligation.[9]

(b) Scope and timing of parent entity filing

7. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

8. Australia's 2017/2018 peer review included a recommendation that Australia amend its rules or otherwise ensure that its administrative practice operates in a way whereby local filing is only required in the circumstances contained in the terms of reference: Australia's framework provided that local filing could be required in circumstances where an Ultimate Parent Entity was obligated to file a CbC report in its jurisdiction of tax residence but failed to do so, which was not permitted under the terms of reference. Australia has published updated guidance on 1 February 2018 which amends its administrative practice in order for local filing to operate in accordance with the terms of reference.[10] Therefore, the recommendation with respect to local filing issued in the 2017/2018 peer review is removed.

9. Australia's 2017/2018 peer review included monitoring points relating to the conditions under which local filing may be applied.[11] Australia published updated guidance on 1 February 2018 which amends its administrative practice in order for local filing to operate in accordance with the terms of reference.[12] As such, the monitoring points are removed. No other changes were identified with respect to the local filing obligation.

(d) Limitation on local filing in case of surrogate filing

10. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

11. No changes were identified with respect to the effective implementation.

Conclusion

12. The conclusion in relation to the domestic legal and administration framework for Australia is updated since the previous peer review: Australia meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

13. As of 31 May 2019, Australia has 65 bilateral relationships in place, including those activated under the CbC MCAA and under a bilateral CAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, Australia has taken steps to have qualifying competent authority agreements

in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. Regarding Australia's exchange of information framework, no inconsistencies with the terms of reference identified.[13]

(b) Content of information exchanged

14. Australia has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

15. Australia has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

16. Australia has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

17. Despite these processes, Australia indicates that a number of CbC reports were exchanged late. These late exchanges were due to an automated system error which has since been corrected and therefore no recommendation is required.

(e) Temporary suspension of exchange or termination of QCAA

18. Australia has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Australia has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

20. Australia confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

21. Australia indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

22. Australia has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the

exchange of information framework. Australia meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

23. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

24. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

25. Australia meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of the Country-by-Country reporting obligations imposed by Subdivision 815-E of the Income Tax Assessment Act 1997. The CbC reporting obligations are dependent on the concept of being a "significant global entity" as provided by Subdivision 960-U of the Income Tax Assessment Act 1997.

[2] Updated guidance is accessible here: www.ato.gov.au/business/international-tax-for-business/in-detail/transfer-pricing/country-by-country-reporting/country-by-country-reporting-guidance/. Australia's 2017/2018 peer review report mentioned that updated guidance was released on 19 December 2017 which was then considered a publicly available document. Australia confirms that this updated guidance was subsequently published as finalised on 1 February 2018, and that earlier guidance mentioned in Australia's 2017/2018 peer review ("Country-by-Country Reporting: Exemption Guidance" dated 26 September 2016 and "Country-by-Country reporting: Questions and Answers" dated 30 November 2016) have been removed and are no longer applicable.

[3] Australia confirms that the use of this determination power would overcome difficulties where certain entities have not prepared consolidated financial statements in accordance with accounting principles.

[4] Australia notes that the definition of a significant global entity used for Australian CbC Reporting is also used for other purposes not related to CbC Reporting.

[5] Australia notes that the changes envisaged may also allow a sub-group of entities in a group to be a relevant Group for CbC reporting purposes when an Investment Entity is in the chain of ownership above the sub-group. Australia expects that any change would be consistent with the accounting principles as permitted in Questionv1.1 in Section III of the OECD's Guidance on the Implementation of Country-by-Country Reporting

[6] https://treasury.gov.au/consultation/c2018-t311619/.

[7] See question IV. 1. "Impact of currency fluctuations on the agreed EUR 750 million threshold (June 2016) of the "Guidance on the implementation of country-by-country reporting": www.oecd.org/tax/guidance-on-the-implementation-of-country-by-country-reporting-beps-action-13.pdf.

[8] The updated guidance (www.ato.gov.au/Business/International-tax-for-business/In-detail/Transfer-pricing/Country-by-Country-reporting/Country-by-Country-Reporting-Guidance/?page=3#Exemptions) includes an example on "differing currency thresholds" which clarifies that where the annual income of a global group would exceed Australia's threshold of A$ 1 billion, but however the currency exchange rates are such that the foreign global parent entity falls slightly below its local CbC reporting threshold, an exemption from lodging the CbC report will be considered.

[9] Australia's 2017/2018 peer review also included monitoring points relating to the powers of the Commissioner to determine that an entity is to be considered as a significant global entity for CbC purposes, to the powers to grant exemptions and to the filing obligations of dormant entities. These monitoring points remain in place.

[10] See www.ato.gov.au/Business/International-tax-for-business/In-detail/Transfer-pricing/Country-by-Country-reporting/Country-by-Country-Reporting-Guidance/?page=3#Exemptions. Australia confirms that local filing will not be imposed if an Ultimate Parent Entity (UPE) of a foreign MNE Group is under an obligation to file a CbC report in its jurisdiction of residence, regardless of the fact that this UPE has - or has not - complied with its filing obligations.

[11] in relation to the fact that local filing should not apply in the absence of an International Agreement and that local filing may only apply in case of "systemic failure" rather than in cases where a CbC report is not available to be exchanged for whatever reason, or has not been received by Australia within a reasonable time via automatic exchange.

[12] The updated guidance published on 1 February 2018 (www.ato.gov.au/Business/International-tax-for-business/In-detail/Transfer-pricing/Country-by-Country-reporting/Country-by-Country-Reporting-Guidance/?page=3#Exemptions) includes the following details:

"*If, on the date on which a CbC report is due to be lodged, you have a global parent entity resident for tax purposes in a foreign jurisdiction and that entity is under an obligation to file a CbC report in that jurisdiction, we will not seek the CbC report from you.*

There are two exceptions to this concession. This concession will not apply if, on the date on which a CbC report is due to be lodged, either:

- the foreign jurisdiction in which the global parent entity is resident for tax purposes has an International Agreement with Australia, but there is no Competent Authority Agreement in effect for automatic exchange of CbC reports between the ATO and the relevant authority of the other jurisdiction

- there is a Competent Authority Agreement as described above in effect, but we have notified you that there has been a systemic failure in the operation of that Agreement".

Australia confirms that the term "systemic failure" in its guidance has the same meaning as in paragraph 21 of the terms of reference (OECD, 2017[2]). Australia also confirms that this updated guidance aligns its administrative practice with the terms of reference (paragraphs 8 (c) (iv) (b) and (c)).

[13]No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Austria

1. Austria was first reviewed during the 2017/2018 peer review. This report is supplementary to the Austria's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Austria applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Austria's implementation of the Action 13 minimum standard meets all applicable terms of reference.

3. Austria's 2017/2018 peer review included a recommendation relating to the definition of "MNE Group". Austria has since taken steps to address this recommendation by updating its legislative guidance.[1] The recommendation issued in the 2017/2018 peer review has been removed.

Part A: The domestic legal and administrative framework

4. Austria has primary law in place that implements the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.[2] Austria issued explanatory remarks to the government bill that has now become the Federal Act containing the primary legislation pertaining to CbC Reporting.[3] It has also issued guidance.[4]

(a) Parent entity filing obligation

5. Austria's 2017/2018 peer review included a recommendation relating to the definition of "MNE Group" which Austria defines as any "*group of Constituent Entities that includes two or more enterprises the tax residence for which is in different countries or jurisdictions and which are related through ownership or control (…)*". It was unclear whether this would capture a situation where an enterprise resident for tax purposes in one jurisdiction is subject to tax with respect to the business carried out through a permanent establishment in another jurisdiction as described in paragraph 15 of the terms of reference. It was thus recommended that Austria amend or otherwise clarify the definition to ensure that this situation is covered.

6. Austria reiterates its position that the definition does capture this situation and has sought to clarify this by updating its legislative guidance to include an example which illustrates its intended definition of "MNE Group".[5] On this basis, this recommendation is removed.

(b) Scope and timing of parent entity filing

7. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

8. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

9. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

10. No changes were identified with respect to the effective implementation.[6]

Conclusion

11. In light of the steps Austria has taken since its 2017/2018 peer review to clarify the definition of "MNE Group" (paragraphs 8(a) i. and iii. and paragraph 15 of the terms of reference), Austria now meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

12. As of 31 May 2019, Austria has 67 bilateral relationships in place, including those activated under the CbC MCAA, under bilateral QCAAs, and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Austria has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that currently meet the confidentiality, consistency and appropriate use conditions. Regarding Austria's exchange of information framework, no inconsistencies with the terms of reference identified.[7]

(b) Content of information exchanged

13. Austria has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes .

14. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the content of information exchanged. No concerns were reported.

(c) Completeness of exchanges

15. Austria has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes and intends to incorporate these into its Internal Organization Handbook .

16. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the completeness of exchanges. No concerns were reported.

(d) Timeliness of exchanges

17. Austria has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes .

18. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the timeliness of exchanges. No concerns were reported.

(e) Temporary suspension of exchange or termination of QCAA

19. Austria has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes and intends to incorporate these into its Internal Organization Handbook .

20. One jurisdiction provided peer input for the reviewed jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. No concerns were reported.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

21. Austria has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes and intends to incorporate these into its Internal Organization Handbook.

22. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. No concerns were reported.

(g) Format for information exchange

23. Austria confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[6]) for the international exchange of CbC reports.

24. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the format for information exchange. No concerns were reported.

(h) Method for transmission

25. Austria indicates that it uses the Common Transmission System to exchange CbC reports.[8]

26. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the method for transmission. No concerns were reported.

Conclusion

27. Austria has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Austria meets all the terms of reference regarding the exchange of information.

Part C: Appropriate Use

Appropriate use

28. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

29. One jurisdiction provided peer input for the reviewed jurisdiction in relation to appropriate use. No concerns were reported.

Conclusion

30. Austria meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] https://findok.bmf.gv.at/findok?execution=e1s1.

[2] Primary law consists of the Federal Act on Standardised Transfer Pricing Documentation in its version of 8 March 2017, including three annexes.

[3] Austria specifies that, with respect to CbC Reporting, those explanatory remarks draw on the General instructions for filling in the CbC report of the EU Directive: no translation in English was provided, but Austria confirmed that the core part of these explanatory remarks in respect of CbC Reporting are a copy of the "General Instructions for filling in the CbC report of the respective EU Directive. Therefore, for the purposes of this review, the Annex (including Sections I, II and III) of the European Union (EU) Council Directive 2016/881/EU has been taken into account.

[4] See "Guidance on Transfer Pricing Documentation" published on 4 December 2017 (BMF-010221/0519-IV/8/2017).

[5] The example reads: *"An Austrian Ltd. (AG) has an Austrian 100% subsidiary. The subsidiary in turn has a PE in Slovakia. Austrian Ltd. (AG) is required to prepare consolidated financial statements in accordance with the applicable accounting rules. In this situation, there is an MNE Group. In addition, the Austrian 100% subsidiary prepares separate financial statements in respect of the PE in Slovakia for financial reporting, regulatory, tax reporting, or internal management control purposes. The three entities are considered Constituent Entities of the MNE Group, the Ultimate Parent Entity of which is Austrian Ltd. (AG)."*

[6] Austria's 2017/2018 peer review included a general monitoring point relating to the absence of a specific process that would allow Austria to take appropriate measures in case it is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Austria indicates that audit processes would apply in cases where no CbC Report was transmitted. This monitoring point remains in place.

[7] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[8] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

The Bahamas

1. This report is The Bahamas' first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. The first filing obligation for a CbC report in The Bahamas applies to reporting fiscal years commencing on or after 1 January 2018.

Summary of key findings

2. The Bahamas meets all the terms of reference relating to the domestic legal and administrative framework (OECD, 2017[2]), with the exception of:

- the deadline for filing a CbC report for certain fiscal years during the first year of implementation.

3. It is recommended that The Bahamas take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which The Bahamas has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that The Bahamas take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that The Bahamas will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

5. The Bahamas has primary law in place for implementing the BEPS Action 13 minimum standard[1] (the "CbC Act") establishing the necessary requirements, including the filing and reporting obligations.

(a) Parent entity filing obligation

6. The Bahamas has primary law that impose a CbC filing obligation on Ultimate Parent Entities of MNE Groups which have a consolidated group revenue above a certain threshold, whereby all required Constituent Entities of the MNE Group are included in the CbC report and no entity is excluded from CbC Reporting other than permitted by the Action 13 report.[2] No inconsistencies were identified with respect to The Bahamas' domestic legal framework in relation with the parent entity filing obligation.

(b) Scope and timing of parent entity filing

7. The first filing obligation for a CbC report in The Bahamas commences in respect of fiscal years beginning on 1 January 2018 or later.[3] The CbC report must be filed within

12 months of the last day of the fiscal year of the MNE Group. However, according to the section 5(3) of the CbC Act, the CbC report shall be filed no later than 31 March 2019 with respect to the reporting fiscal year that began on or before 31 May 2018. This means that for certain fiscal years (e.g. fiscal year 1 May 2018 - 30 April 2019), MNE Groups may not be in a position to file a CbC report since their fiscal year would not yet have ended. It is therefore recommended that The Bahamas amend the deadline for filing a CbC report with respect to the specific filing deadline relating to the reporting fiscal years that began on or before 31 May 2018.

8. No other inconsistencies were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

9. The Bahamas does not apply or plan to introduce local filing.

10. It is noted that The Bahamas' legislation includes provisions relating to (i) the deactivation of local filing in case of surrogate filing (see Section 3(4) of the CbC Act) and (ii) the fact that a single Constituent Entity could file a CbC report that satisfies the filing requirement of all Constituent Entities of such MNE Group that are resident in The Bahamas (see Section 3(3) of the CbC Act). While these provisions do not seem to create a filing obligation on Constituent Entities in The Bahamas (being noted that according to Section 3(1) and 3(2), only Ultimate Parent Entities and Surrogate Parent Entities shall file a CbC report in The Bahamas), they may introduce uncertainty for taxpayers. This will be monitored to ensure that no local filing obligations arise from Section 3 of the CbC Act.

(d) Limitation on local filing in case of surrogate filing

11. The Bahamas does not apply or plan to introduce local filing. The Bahamas' legislation requires a "surrogate parent entity" that has been appointed by the MNE group to file in The Bahamas. Surrogate filing is only permitted when certain conditions are met.[4]

(e) Effective implementation

12. The Bahamas has legal mechanisms in place to enforce compliance with the minimum standard: there are notification mechanisms in place that apply to the Ultimate Parent Entity and the Surrogate Parent Entity in The Bahamas.[5] There are also penalties in place in relation to the filing of a CbC report: (i) penalties for failure to file a CbC report and late filing and (ii) penalties for inaccurate information.[6]

13. There are no specific processes in place that would allow The Bahamas to take appropriate measures in case it is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. However, The Bahamas indicates that the penalties will be applied to any person providing inaccurate information under Section 19 of the CbC Act. As no exchange of CbC reports has yet occurred, no recommendation is made but this respect will be further monitored.

Conclusion

14. In respect of paragraph 8 of the terms of reference, The Bahamas has enacted a domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in The Bahamas. The Bahamas meets all the terms of reference relating to the domestic legal and

administrative framework, with the exception of the deadline for filing a CbC report. It is recommended that The Bahamas amend the deadline for filing a CbC report.

Part B: The exchange of information framework

(a) Exchange of information framework

15. As of 31 May 2019, The Bahamas has no bilateral relationships in place for the exchange of CbC reports. It is recommended that The Bahamas take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which The Bahamas has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

16. The Bahamas does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template is present in the information exchanged.

(c) Completeness of exchanges

17. The Bahamas does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

18. The Bahamas does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

19. The Bahamas does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

20. The Bahamas does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

21. The Bahamas confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

22. The Bahamas has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

23. It is recommended that The Bahamas take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which The Bahamas has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

24. Further, it is recommended that The Bahamas take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that The Bahamas will not be exchanging CbC reports in 2019.

Part C: Appropriate use

25. The Bahamas is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. It is not necessary for this peer review evaluation to reach any conclusion with respect to The Bahamas' compliance with paragraph 12 of the terms of reference on appropriate use.

Conclusion

26. In respect of paragraphs 11 and 12 of the terms of reference, The Bahamas is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. It is not necessary for this peer review evaluation to reach any conclusion with respect to these paragraphs of the terms of reference.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that The Bahamas amend the deadline for filing a CbC report.
Part B	Exchange of information framework	It is recommended that The Bahamas take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which The Bahamas has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that The Bahamas take steps to implement processes or written procedures to ensure that the exchange of information in conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.
Part C	Appropriate use	-

Notes

[1] The Bahamas issued the Multinational Entities Financial Reporting Act, 2018, which is named as "An act to provide for country by country reporting of profit or losses attributed to entities incorporated or resident within The Bahamas".

[2] See Section 2 of the CbC Act.

[3] See Section 1 of the CbC Act.

[4] Which are as follows: (a) the entity is resident in The Bahamas; and (b) one of the following conditions applies – (i) the ultimate parent entity of the MNE Group is not obligated to file a country-by-country report in its jurisdiction of tax residence; (ii) the jurisdiction in which the ultimate parent entity is resident for tax purposes has a current International Agreement to which The Bahamas is a party but does not have a qualifying competent authority agreement in in effect to which The Bahamas is a party by the time specified in section 5(3) for filing the report for the reporting fiscal year; or (iii) there has been a systemic failure of the jurisdiction of tax residence of the ultimate parent entity that has been notified by the Authority to the constituent entity resident in The Bahamas.

[5] See Section 4 of the CbC Act.

[6] As per Section 9 and 11 of the CbC Act, any Constituent Entity of a MNE Group that is resident in The Bahamas is obliged to keep records of the information related to CbC for six years and to make the information available to Authority for inspection within a specified time frame. Failure to comply constitutes an offence liable to a fine.

Bahrain

1. This report is Bahrain's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. There is no filing obligation for a CbC report in Bahrain yet.

Summary of key findings

2. Bahrain does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. Bahrain reports that it is in the preliminary stages of drafting legislation and expects to have this in place by the end of 2019. It is recommended that Bahrain take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

3. It is recommended that Bahrain take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Bahrain has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Bahrain take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is however noted that Bahrain will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

6. Bahrain does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. Bahrain reports that it is in the preliminary stages of drafting legislation and expects to have this in place by the end of 2019.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

7. Bahrain does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2017 fiscal year.

8. It is recommended that Bahrain take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

9. In respect of paragraph 8 of the terms of reference, Bahrain does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Bahrain. It is recommended that Bahrain take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, Bahrain has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Bahrain take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Bahrain has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

11. Bahrain does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template is present in the information exchanged.

(c) Completeness of exchanges

12. Bahrain does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

13. Bahrain does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

14. Bahrain does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

15. Bahrain does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

16. Bahrain has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

17. Bahrain has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

18. It is recommended that Bahrain take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Bahrain has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

19. Further, it is recommended that Bahrain take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating (OECD, 2017[2]) to the exchange of information framework ahead of its first exchanges of information. It is however noted that Bahrain will not be exchanging CbC reports in 2019.

Part C: Appropriate use

20. Bahrain is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. It is therefore not necessary for this peer review evaluation to reach any conclusions with respect to appropriate use of the reports.

Conclusion

21. Bahrain is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. It is therefore not necessary for this peer review evaluation to reach any conclusions with respect to Bahrain's compliance with paragraphs 11(a), (b), (c) and (d) and paragraph 12(a) of the terms of reference on appropriate use.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Bahrain take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Bahrain take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Bahrain has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Bahrain take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	-

Barbados

1. Barbados was first reviewed during the 2017/2018 peer review. This report is supplementary to Barbados's 2017/2018 peer review report (OECD, 2018[1]). There is no filing obligation for a CbC report in Barbados yet.

Summary of key findings

2. Barbados does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Barbados take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Barbados take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which it has an international agreement in place which allows for the automatic exchange of information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Barbados take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Barbados take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Barbados will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Barbados does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. Barbados notes that it is drafting legislation and this is expected to come into effect in 2019.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. No changes were identified with respect to the effective implementation.

Conclusion

13. There is no change in relation to the domestic legal and administration framework for Barbados since the previous peer review. Barbados notes that it is drafting legislation and this is expected to come into effect in 2019. The recommendation in the 2017/18 peer review, that Barbados take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, remains in place.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, Barbados has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Barbados take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Barbados has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

15. Barbados does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. Barbados does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

17. Barbados does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

18. Barbados does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Barbados does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before

making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

20. Barbados has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

21. Barbados has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

22. The recommendation in the 2017/2018 peer review for Barbados to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Barbados has an international exchange of information agreement in effect that allows for the automatic exchange of tax information remains in place.

23. Further, it is recommended that Barbados take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.

24. It is however noted that Barbados will not be exchanging CbC reports in 2019.

Part C: Appropriate use

25. Barbados does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Barbados to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place. It is however noted that Barbados will not be exchanging CbC reports in 2019.

26. No information or peer input was received for the reviewed jurisdiction in respect of appropriate use.

Conclusion

27. There is no change to the conclusion in relation to appropriate use for Barbados since the previous peer review. The recommendation for Barbados to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that Barbados will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Barbados take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Barbados take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Barbados has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Barbados take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Barbados take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Belgium

1. Belgium was first reviewed during the 2017/2018 peer review. This report is supplementary to Belgium's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Belgium commenced in respect of periods commencing on or after 1 January 2016.

Summary of key findings

2. Belgium's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Belgium has primary law and secondary laws[1] in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations. Guidance has also been published.[2]

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation. Belgium's 2017/2018 peer review included a monitoring point[3] that remains in place.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. Belgium reports an update in respect of a general monitoring point in its 2017/2018 peer review in relation to a specific process to that would allow it to take appropriate measures in case Belgium is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report: in case the Belgian Competent Authority is notified that an error may have led to incorrect or incomplete information reporting or that there is non-compliance of a Reporting entity with respect to its filing obligation, the Belgian Competent Authority will contact the local tax office responsible for the management of the file of the Reporting entity and request that the appropriate measures

are taken.[4] In respect of this specific procedure, the monitoring point in Belgium's 2017/2018 peer review is removed. No other changes were identified with respect to the effective implementation.

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for Belgium since the previous peer review. Belgium meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, Belgium has 67 bilateral relationships in place for the exchange of CbC reports, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of tax information, Belgium has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that currently meet the confidentiality, consistency and appropriate use conditions. Regarding Belgium's exchange of information framework, no inconsistencies with the terms of reference were identified.[5]

(b) Content of information exchanged

11. Belgium has processes and written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes and written procedures.

(c) Completeness of exchanges

12. Belgium has processes and written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes and written procedures.

(d) Timeliness of exchanges

13. Belgium has processes and written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes and written procedures.

(e) Temporary suspension of exchange or termination of QCAA

14. Belgium has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

15. No information or peer input was received for Belgium in relation to a temporary suspension of exchange or termination of a QCAA. There are no concerns to be reported in respect of the temporary suspension of exchange or termination of QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Belgium has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

17. Belgium confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

18. Belgium indicates that it uses the Common Transmission System to exchange CbC reports.[6]

Conclusion

19. Belgium has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Belgium meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

20. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

21. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. No concerns were reported in respect of appropriate use.

Conclusion

22. Belgium meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of the Program Law of 1 July 2016. Relevant articles start from page 10 under "Section 3. – Prix de transfert". Secondary law consists of a Royal Decree of 28 October 2016 (relevant pages: 18-46 and 132-144).

[2] Guidance can be accessed by logging in to www.fisconetplus.be and subsequently opening the following URL: https://gcloudbelgium.sharepoint.com/sites/minfin-fisconet_public/fiscal-discipline/income-taxes/administrative-directives-and-comments/circular-letters/circular-letters-procedure/4d0cb7b9-14ef-4e43-ba9d-7edbdd1abcb5

[3] Relating to the rule according to which where there are more than one Constituent Entities of the same MNE Group that are resident for tax purposes in the EU, the MNE Group may designate one of such Constituent Entities to file the country-by-country report conforming to the requirements that would satisfy the filing requirement of all the Constituent Entities of such MNE Group that are resident for tax purposes in the EU.

[4] These appropriate measures are to contact the Reporting entity so as to obtain the correct information, respectively via a correction report (or as the case may be, an explanation as to why the initial information was indeed correct or complete) or an initial report. The received information is subsequently exchanged by the Competent Authority with all relevant jurisdictions. The procedure follows the standard procedure regarding feedback received from abroad. The Local Tax Centres were informed on the procedures and their role via a note. See art. 445, §3 of the BITC.

[5] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[6] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

Belize

1. Belize was first reviewed during the 2017/2018 peer review. This report is supplementary to Belize's 2017/2018 peer review report (OECD, 2018[1]). There is no reporting requirement for CbC in Belize yet.

Summary of key findings

2. Belize does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Belize take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Belize take steps to qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Belize has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Belize take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Belize take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Belize will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Belize does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

Conclusion

8. There is no change in relation to the domestic legal and administration framework for Belize since the previous peer review. The recommendation in the 2017/18 peer review, that Belize take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, remains in place.

Part B: The exchange of information framework

(a) Exchange of information framework

9. As of 31 May 2019, Belize has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Belize take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Belize has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

10. Belize does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

11. Belize does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

12. Belize does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

13. Belize does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

14. Belize does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

15. Belize has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

16. Belize has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

17. The recommendation in the 2017/2018 peer review for Belize to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites remains in place.

18. Further, it is recommended that Belize take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Belize will not be exchanging CbC reports in 2019.

Part C: Appropriate use

19. Belize does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Belize to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place. It is however noted that Belize will not be exchanging CbC reports in 2019.

Conclusion

20. There is no change to the conclusion in relation to the appropriate use for Belize since the previous peer review. The recommendation for Belize to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that Belize will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Belize take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Belize take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Belize has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Belize take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.
Part C	Appropriate use	It is recommended that Belize take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Benin

1. Benin was first reviewed during the 2017/2018 peer review. This report is supplementary to Benin's 2017/2018 peer review report (OECD, 2018[1]). There is no filing obligation for a CbC report in Benin yet.

Summary of key findings

2. Benin does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.[1] It is recommended that Benin take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Benin take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Benin has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Benin take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Benin take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Benin will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Benin does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. No changes were identified with respect to the effective implementation.

Conclusion

13. There is no change in relation to the domestic legal and administration framework for Benin since the previous peer review. The recommendation in the 2017/18 peer review, that Benin take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, remains in place.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, Benin has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Benin take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Benin has an international exchange of information agreement in effect that allows for the automatic exchange of tax information

(b) Content of information exchanged

15. Benin does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. Benin does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

17. Benin does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

18. Benin does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Benin does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

20. Benin has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

21. Benin has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

22. The recommendation in the 2017/2018 peer review for Benin to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Benin has an international exchange of information agreement in effect that allows for the automatic exchange of tax information remains in place.

23. Further, it is recommended that Benin take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Benin will not be exchanging CbC reports in 2019.

Part C: Appropriate use

24. Benin does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Benin to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place. It is however noted that Benin will not be exchanging CbC reports in 2019.

25. No information or peer input was received for the reviewed jurisdiction in respect of appropriate use.

Conclusion

26. There is no change to the conclusion in relation to the appropriate use for Benin since the previous peer review. The recommendation for Benin to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that Benin will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Benin take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Benin take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Benin has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. .
Part B	Exchange of information framework	It is recommended that Benin take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.
Part C	Appropriate use	It is recommended that Benin take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Notes

[1] CbC requirements may first apply for taxable years commencing on or after January 1, 2019 if they are included in the Finance Bill for 2019. According to the latest information provided, the draft legislation was submitted to the parliamentary budgetary session.

Bermuda

1. Bermuda was first reviewed during the 2017/2018 peer review. This report is supplementary to Bermuda's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Bermuda applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Bermuda's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Bermuda has primary and secondary laws (hereafter the "regulations") in place for implementing the BEPS Action 13 minimum standard[1] establishing the necessary requirements, including the filing and reporting obligations. Since the 2017/2018 peer review, guidance has been published and updated.[2] And Bermuda has provided an update with respect to the processes it has in place to ensure effective implementation.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.[3]

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. Bermuda's 2017/2018 peer review included a general monitoring point concerning the fact that was no specific process that would allow it to take appropriate measures in case Bermuda is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Bermuda has provided updated information, explaining that, in such a situation, the Exchange of Information (EOI) Unit will notify the Reporting Entity within seven days. The Senior Automatic Exchange of Information Officer supported by the Assistant Financial Secretary will be in

charge of monitoring the process. In addition, the EOI Unit will impose a penalty pursuant to regulations if necessary. In view of this update and specific process, the monitoring point is removed.

9. No other changes were identified with respect to the effective implementation.

Conclusion

10. There is no change to the conclusion in relation to the domestic legal and administration framework for Bermuda since the previous peer review. Bermuda meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Bermuda has 53 bilateral relationships in place, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, Bermuda has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[4] Regarding Bermuda's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. Bermuda has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

13. Bermuda has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

14. Bermuda has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

15. Despite these procedures, Bermuda indicates that a number of CbC reports were exchanged late. These late exchanges were due to schema validation error and late filing by the Reporting Entity. Bermuda indicates that an upgrade to the reporting system was implemented in order to catch this specific schema validation error and late filing will be discouraged in future via enforcement measure and no recommendation is required.

(e) Temporary suspension of exchange or termination of QCAA

16. Bermuda has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

17. Bermuda has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

18. Bermuda confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

19. Bermuda indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

20. Bermuda has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Bermuda meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

21. No changes were identified in respect of appropriate use. Bermuda is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. As such, it is not necessary for this peer review evaluation to reach any conclusion with respect to Bermuda's compliance with paragraph 12 of the terms of reference on appropriate use.

Conclusion

22. There is no change to the conclusion in relation to the appropriate use for Bermuda since the previous peer review. Bermuda is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. As such, it is not necessary for this peer review evaluation to reach any conclusion with respect to these paragraphs of the terms of reference.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of the International Cooperation (Tax Information Exchange Agreements) Act 2005 Article 4B: www.bermudalaws.bm/laws/Consolidated%20Laws/International%20Cooperation%20(Tax%20Information%20Exchange%20Agreements)%20Act%202005.pdf.

Secondary law consists of the "International Cooperation (Tax Information Exchange Agreements) Country-by-Country Reporting Regulations 2017": www.bermudalaws.bm/laws/Consolidated%20Laws/International%20Cooperation%20(Tax%20Information%20Exchange%20Agreements)%20Country-By-Country%20Reporting%20Regulations%202017.pdf and http://www.bermudalaws.bm/laws/Annual%20Laws/2017/Statutory%20Instruments/International%20Cooperation%20(Tax%20Information%20Exchange%20Agreements)%20Country-By-Country%20Reporting%20Amendment%20Regulations%202017.pdf.

[2] Guidance on Country-by-Country Reporting has been published on 28 June 2018 as a new version on the Government of Bermuda site: www.gov.bm/sites/default/files/Bermuda-CbCR-Guidance-Notes-v2.0.pdf.

[3] Bermuda's 2017/2018 peer review included a monitoring point relating to the interpretation of the definition of "Revenue – Unrelated Party" and "Revenue – Related Party". This monitoring point remains in place.

[4] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Botswana

1. This report is Botswana's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. There is no filing obligation for a CbC report in Botswana yet.

Summary of key findings

2. Botswana does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Botswana take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

3. It is recommended that Botswana take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Botswana has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Botswana take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Botswana take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

6. It is however noted that Botswana will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Botswana does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. Botswana expects to implement the legislative and administrative requirements of Action 13 during 2019.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

8. Botswana does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2018 fiscal year.

9. It is recommended that Botswana take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

10. In respect of paragraph 8 of the terms of reference, Botswana does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Botswana. It is recommended that Botswana take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Botswana has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Botswana take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Botswana has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. It is however noted that Botswana will not be exchanging CbC reports in 2019.

(b) Content of information exchanged

12. Botswana does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

13. Botswana does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

14. Botswana does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

15. Botswana does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Botswana does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

17. Botswana has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

18. Botswana has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

19. It is recommended that Botswana take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Botswana has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

20. Further, it is recommended that Botswana take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Botswana will not be exchanging CbC reports in 2019.

Part C: Appropriate use

21. Botswana does not yet have measures in place relating to appropriate use. It is recommended that Botswana to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

22. It is recommended that Botswana take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information. It is however noted that Botswana will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Botswana take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Botswana take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Botswana has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Botswana take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Botswana take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Brazil

1. Brazil was first reviewed during the 2017/2018 peer review. This report is supplementary to Brazil's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Brazil commences in respect of periods commencing on or after 1 January 2016.

Summary of key findings

2. Brazil's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

3. The 2017/2018 peer review included a recommendation to Brazil ensure that the annual consolidated group revenue threshold is applied in a manner consistent with the OECD guidance on currency fluctuations (OECD, 2018[5]). Brazil has now clarified the application of the threshold rule in its internal guidance. In light of the update provided by Brazil, this recommendation on the parent filing obligation is now removed.

Part A: The domestic legal and administrative framework

4. Brazil has primary and secondary laws[1] (hereafter the "regulations") in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations. Guidance has also been published.[2]

(a) Parent entity filing obligation

5. Brazil's 2017/2018 peer review included a recommendation in relation to the annual consolidated group revenue calculation rule. The report mentioned that the operation of this rule would be further monitored, including by Brazil. It was recommended that if the operation of the rule became an issue, Brazil would at that time take steps to ensure that it applies in a manner consistent with the OECD guidance on currency fluctuations. Brazil has now clarified the application of the threshold rule in its internal guidance. In light of the update provided by Brazil, this recommendation on the parent filing obligation is now removed.

(b) Scope and timing of parent entity filing

6. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

7. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

8. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

9. No changes were identified with respect to the effective implementation.[3]

Conclusion

10. Brazil meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Brazil has 65 bilateral relationships, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, Brazil has taken steps to have Qualifying Competent Authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[4] Regarding Brazil's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. Brazil has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these procedures.

(c) Completeness of exchanges

13. Brazil has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these procedures.

(d) Timeliness of exchanges

14. Brazil has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these procedures.[5]

15. Despite these process Brazil has confirmed that a number of reports were exchanged late. This was because of delays enrolling on CTS. As this issue has been addressed no recommendation is required.

(e) Temporary suspension of exchange or termination of QCAA

16. Brazil has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

17. Brazil has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those procedures.

(g) Format for information exchange

18. Brazil confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

19. Brazil indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

20. Brazil has in place the necessary processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Brazil meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

21. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

22. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. No concerns were reported in respect of appropriate use.

Conclusion

23. Brazil meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Brazil's primary law consists of a general provision in the federal legislation granting power to the Secretariat of the Brazilian Federal Revenue to establish the necessary requirements related to taxes it manages, including the filing and reporting obligations (article 16 of Federal Law No. 9,779/1999). Brazil's secondary law consists of a Normative Instruction regulating the obligation of CbC reporting (Normative Instruction No. 1,681/2016).

[2] Guidance has been added to the generic guidance for filling the Tax Accounting Bookkeeping obligation (ECF) and can be accessed at: http://sped.rfb.gov.br/estatico/2D/8816323A05FE605264E343A5E9A1AC265DC9A8/Manual_de_Orienta%C3%A7%C3%A3o_da_ECF_Dezembro_2018%20(ver%2012-12-2018).pdf (Pages 382-418 specifically refer to CbC Reporting). The guidance provides links to the OECD internet page on the BEPS project including the Action 13 Minimum Standard. Brazil has also published guidance in a FAQ format providing further explanations to taxpayers and to the tax administration with respect to CbC Reporting, and which also includes the provisions in the OECD's Guidance on the Implementation of CbC Reporting translated into Portuguese. The questions and answers can be accessed at: http://sped.rfb.gov.br/estatico/D5/313BDE0FCDA063847CAC7DC1B5B40497258314/Perguntas%20e%20Respostas%20-%20DPP%2027072017.pdf

[3] Brazil's 2017/2018 peer review included a general monitoring point relating to a specific process to that would allow to take appropriate measures in case Brazil is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This monitoring point remains in place.

[4] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[5] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

British Virgin Islands

1. The British Virgin Islands was first reviewed during the 2017/2018 peer review. This report is supplementary to the British Virgin Islands' 2017/2018 peer review report (OECD, 2018[1]). Since the last peer review, the British Virgin Islands has introduced primary legislation in order to implement CbC Reporting requirements. The filing obligation for a CbC report in the British Virgin Islands applies to reporting fiscal years commencing on or after 1 January 2018.

Summary of key findings

2. The British Virgin Islands' legislative implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

3. It is recommended that the British Virgin Islands take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which the British Virgin Islands has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains in place since the 2017/2018 peer review.

4. It is recommended that the British Virgin Islands take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.

Part A: The domestic legal and administrative framework

5. The British Virgin Islands has primary law[1] in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations.

6. The British Virgin Islands' 2017/2018 peer review included a recommendation that the British Virgin Islands take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible, taking into account its particular domestic legislative process. The British Virgin Islands now has the primary law in place to impose and enforce CbC requirements. The recommendation with respect to domestic legal and administrative framework issued in the 2017/2018 peer review is removed.

(a) Parent entity filing obligation

7. The British Virgin Islands has primary law which imposes a CbC filing obligation on Ultimate Parent Entities of MNE Groups which have a consolidated group revenue above a certain threshold, whereby all required Constituent Entities of the MNE Group are

included in the CbC report and no entity is excluded from CbC Reporting other than permitted by the Action 13 report (OECD, 2015).[2]

8. No inconsistencies were identified with respect to the British Virgin Islands' domestic legal framework in relation with the parent entity filing obligation.

(b) Scope and timing of parent entity filing

9. The first filing obligation for a CbC report in the British Virgin Islands commences in respect of fiscal years beginning on 1 January 2018[3]. The CbC report must be filed within 12 months of the last day of the fiscal year of the MNE Group.[4]

10. No inconsistencies were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

11. The British Virgin Islands' legislation to impose a CbC reporting requirement also imposes a requirement for local filing in circumstances other than those where the requirements for consistency, appropriate use are met. The British Virgin Islands have however published guidance which is clear that the local filing requirement is suspended pending legislative changes to remove the obligation and will remain suspended until those changes are made.

12. No inconsistencies were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

13. The British Virgin Islands does not have a local filing obligation. No inconsistencies were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

14. The British Virgin Islands has legal mechanisms in place to enforce compliance with the minimum standard: there are registration requirement in place that apply to The British Virgin Islands entities.[5] There are also penalties in place in relation to the non-filing and false or inaccurate information.[6]

15. There are no specific process in place to take appropriate measures in case the British Virgin Islands is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This aspect will be further monitored.

Conclusion

16. The British Virgin Islands' 2017/2018 peer review included a recommendation that the British Virgin Islands finalises its domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible. The British Virgin Islands now has the primary law in place to impose and enforce CbC requirements. The recommendation with respect to domestic legal and administrative framework issued in the 2017/2018 peer review is removed.

17. The British Virgin Islands meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

18. As of 31 May 2019, the British Virgin Islands has no bilateral relationships in place for the exchange of CbC reports. It is recommended that the British Virgin Islands take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which the British Virgin Islands has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

19. The British Virgin Islands does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

20. The British Virgin Islands does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

21. The British Virgin Islands does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

22. The British Virgin Islands does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

23. The British Virgin Islands does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

24. The British Virgin Islands has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

25. The British Virgin Islands has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

26. The recommendation in the 2017/2018 peer review for the British Virgin Islands to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which

meet the confidentiality, consistency and appropriate use conditions remains in place and with which it has an international exchange of information agreement in effect that allows for the automatic exchange of tax information

27. Further, it is recommended that the British Virgin Islands take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that the British Virgin Islands will not be exchanging CbC reports in 2019.

Part C: Appropriate use

28. No changes were identified in respect of appropriate use. The British Virgin Islands has notified under the CbC MCAA as a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions. It is therefore not necessary for this peer review evaluation to reach any conclusion with respect to the British Virgin Islands' compliance with the terms of reference on appropriate use.

Conclusion

29. The British Virgin Islands is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. It is not necessary for this peer review evaluation to reach any conclusion with respect to these paragraphs of the terms of reference.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	It is recommended that the British Virgin Islands take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use conditions and with which the British Virgin Islands has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that the British Virgin Islands take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of the first exchanges of information.
Part C	Appropriate use	-

Notes

[1] The legislation for CbC reporting is provided in Part IV of Virgin Islands Mutual Assistance (Tax Matters) (Amendment) Arrangement of Sections ("the Amendment"). The Amendment can be accessed at the following link: http://www.bvi.gov.vg/media-centre/bvi-implements-base-erosion-and-profit-shifting-action-13.

[2] See sections 37(1) of the Amendment.

[3] See section 1(2) of the Amendment.

[4] See section 40 of the Amendment.

[5] See section 38 of the Amendment.

[6] See section 42 (1A) of the Amendment.

Brunei Darussalam

1. Brunei Darussalam was first reviewed during the 2017/2018 peer review. This report is supplementary to Brunei Darussalam's 2017/2018 peer review report (OECD, 2018[1]). There is no filing obligation for a CbC report in Brunei Darussalam yet.

Summary of key findings

2. Brunei Darussalam does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Brunei Darussalam take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Brunei take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Brunei Darussalam has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Brunei Darussalam have in place the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework.

5. It is recommended that Brunei Darussalam take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Brunei will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Brunei Darussalam does not yet have a legal and administrative framework in place to implement CbC Reporting. Brunei Darussalam indicates that it will implement CbC Reporting requirements for fiscal years commencing on or after 1 January 2018.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. No changes were identified with respect to the effective implementation.

Conclusion

13. There is no change to the conclusion in relation to the domestic legal and administration framework for Brunei Darussalam since the previous peer review. The recommendation in the 2017/2018 peer review, that Brunei Darussalam take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible, remains in place.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, Brunei Darussalam has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Brunei Darussalam take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Brunei Darussalam has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

15. Brunei Darussalam does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged.

(c) Completeness of exchanges

16. Brunei Darussalam does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

17. Brunei Darussalam does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

18. Brunei Darussalam does not have process or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Brunei Darussalam does not yet have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent

Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

20. Brunei Darussalam has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

21. Brunei Darussalam has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

22. It is recommended that Brunei Darussalam take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Brunei Darussalam has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

23. Further, it is recommended that Brunei Darussalam take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Brunei Darussalam will not be exchanging CbC reports in 2019.

Part C: Appropriate use

24. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review, that Brunei Darussalam take steps to have measures in place relating to appropriate use remains in place. It is however noted that Brunei Darussalam will not be exchanging CbC reports in 2019.

Conclusion

25. There is no change to the conclusion in relation to the appropriate use for Brunei Darussalam since the previous peer review. The recommendation for Brunei Darussalam to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remain in place. It is however noted that Brunei Darussalam will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Brunei Darussalam take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible, taking into account its particular domestic legislative process.
Part B	Exchange of information framework	It is recommended that Brunei Darussalam take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Brunei Darussalam has an international exchange of information agreement in effect that allows for the automatic exchange of tax information
Part B	Exchange of information framework	It is recommended that Brunei Darussalam have in place the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Brunei Darussalam take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Bulgaria

1. Bulgaria was first reviewed during the 2017/2018 peer review. This report is supplementary to Bulgaria's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Bulgaria applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Bulgaria's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Bulgaria has primary law in place for implementing the BEPS Action 13 minimum standard[1] (hereafter the "regulations") establishing the necessary requirements, including the filing and reporting obligations. Guidance has also been published.[2] Bulgaria has provided an update with respect to the processes it has in place to ensure effective implementation.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. Bulgaria's 2017/2018 peer review included a general monitoring point concerning the fact that was no specific process that would allow it to take appropriate measures in case Bulgaria is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Bulgaria has provided updated information, explaining that, in such a situation: the Tax Treaties Directorate (TTD) is responsible for notifying the Reporting Entity in cases of non-compliance or incorrect or incomplete information reporting. The TTD may request assistance from the

competent local revenue authorities if necessary. The Director of the TTD and the Executive Director of the National Revenue Agency are in charge of monitoring the process. In addition to the considerable penalties, the failure to provide the requested information may lead to a tax audit or examination. In view of this update and specific process, the monitoring point is removed.

9. No other changes were identified with respect to the effective implementation.

Conclusion

10. There is no change to the conclusion in relation to the domestic legal and administration framework for Bulgaria since the previous peer review. Bulgaria meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Bulgaria has 66 bilateral relationships in place, including those activated under the CbC MCAA and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Bulgaria has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[3] Regarding Bulgaria's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. Bulgaria has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

13. Peer input was received from one jurisdiction in relation to the content of information exchanged. There are no concerns to be reported in respect of the content of information exchanged.

(c) Completeness of exchanges

14. Bulgaria has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

15. Peer input was received from one jurisdiction in relation to the completeness of exchanges. There are no concerns to be reported in respect of the completeness of exchanges.

(d) Timeliness of exchanges

16. Bulgaria has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

17. Peer input was received from one jurisdiction in relation to the timeliness of exchanges. There are no concerns to be reported in respect of the timeliness of exchanges.[4]

(e) Temporary suspension of exchange or termination of QCAA

18. Bulgaria has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

19. Peer input was received from one jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. There are no concerns to be reported in respect of the temporary suspension of exchange or termination of QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

20. Bulgaria has processes that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

21. Peer input was received from one jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. There are no concerns to be reported in respect of consultation with the other Competent Authority before determining systemic failure or significant non-compliance.

(g) Format for information exchange

22. Bulgaria confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

23. Peer input was received from one jurisdiction in relation to the format for information exchange. There are no concerns to be reported in respect of the format of information exchange.

(h) Method for transmission

24. Bulgaria indicates that it uses the Common Transmission System to exchange CbC reports.[5]

25. Peer input was received from one jurisdiction in relation to the method for transmission. There are no concerns to be reported in respect of the method used for transmission.

Conclusion

26. Bulgaria has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Bulgaria meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

27. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

28. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

29. Bulgaria meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of the amended Tax and Social Security Procedure Code in relation to the CbC reporting (adopted by Parliament on 20 July 2017 and published in the State Gazette on 4 August 2017). See Articles 143s to 143z, Article 268a, Paragraph 1, items 33-45 of the Additional provisions and paragraphs 25-26 of the Transitional and final provisions of the Tax Code. An amendment to the Tax Code was published in the State Gazette on 17 November 2017 which amends Article 143w only. See http://dv.parliament.bg/DVWeb/showMaterialDV.jsp?idMat=119626.
Secondary legislation is not foreseen but nevertheless, according to Art. 143u, para 3 of the Tax Code, the country-by-country report will be filed electronically on an annual basis and under a procedure and in a format approved by an order of the executive director of the National Revenue Agency, which shall be published on the webpage of the National Revenue Agency.

[2] Guidance including instructions for filling in and filing a CbC report under Article 143t of the Tax Code was published on the website of the National Revenue Agency (NRA): http://nap.bg/document?id=15669. Order 1410/31.10.2017 of the executive director of the NRA regulating the manner of filing the CbC reports and their format was published on the webpage of the NRA: http://nra.bg/document?id=15491.

[3] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[4] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

[5] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

Cameroon

1. Cameroon was first reviewed during the 2017/2018 peer review. This report is supplementary to the Cameroon's 2017/2018 peer review report (OECD, 2018[1]). There is no filing obligation for a CbC report in Cameroon yet.

Summary of key findings

2. Cameroon does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Cameroon take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Cameroon take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Cameroon has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Cameroon take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Cameroon take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Cameroon will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Cameroon does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. No changes were identified with respect to the effective implementation.

Conclusion

13. There is no change in relation to the domestic legal and administration framework for Cameroon since the previous peer review. The recommendation in the 2017/18 peer review, that Cameroon take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, remains in place.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, Cameroon has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Cameroon take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Cameroon has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

15. Cameroon does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. Cameroon does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

17. Cameroon does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

18. Cameroon does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Cameroon does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the

terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

20. Cameroon has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

21. Cameroon has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

22. The recommendation in the 2017/2018 peer review for Cameroon to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Cameroon has an international exchange of information agreement in effect that allows for the automatic exchange of tax information remains in place.

23. Further, it is recommended that Cameroon take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Cameroon will not be exchanging CbC reports in 2019.

Part C: Appropriate use

24. Cameroon does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Cameroon to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place. It is however noted that Cameroon will not be exchanging CbC reports in 2019.

Conclusion

25. There is no change to the conclusion in relation to the appropriate use for Cameroon since the previous peer review. The recommendation for Cameroon to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that Cameroon will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Cameroon take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Cameroon take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which it has international agreements which provide for the automatic exchange of information.
Part B	Exchange of information framework	It is recommended that Cameroon take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Cameroon take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Canada

1. Canada was first reviewed during the 2017/2018 peer review. This report is supplementary to Canada's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Canada applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Canada's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2])**.**

3. Canada's 2017/2018 peer review included a recommendation that it amend its legislation or take other steps to ensure that its local filing obligation will apply only in the circumstances contained in the terms of reference. Canada has since published guidance to address this issue and as such, the recommendation has been removed.

Part A: The domestic legal and administrative framework

4. Canada has legislation in place which implements the BEPS Action 13 minimum standard for reporting fiscal years beginning after 2015.[1] The Canada Revenue Agency also issued Guidance in 2017.[2]

(a) Parent entity filing obligation

5. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

6. Canada's 2017/2018 peer review noted that the definitions of "Revenues – Unrelated Party" and "Revenues – Related Party" in guidance issued by the Canada Revenue Agency were inconsistent with subsequent OECD guidance.[3] The report therefore included a monitoring point to follow up on whether Canada had updated or clarified the definitions in its guidance. It has since updated its guidance and thus the monitoring point can be removed.

(c) Limitation on local filing obligation

7. Canada's 2017/2018 peer review included a recommendation that Canada amend its local filing condition or otherwise take steps to ensure that the CbC reporting local filing obligations will only apply in the circumstances set out in the terms of reference. Canada has since published guidance to address this issue and as such, the recommendation has been removed.

(d) Limitation on local filing in case of surrogate filing

8. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

9. No changes were identified with respect to the effective implementation.

Conclusion

10. In light of the steps taken since its 2017/2018 peer review to clarify its local filing obligations, Canada now meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Canada has 55 bilateral relationships in place, including those activated under the CbC MCAA and under bilateral QCAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, Canada has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency, and appropriate use conditions.[4] Regarding Canada's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. Canada has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

13. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the content of information exchanged. No concerns were reported.

(c) Completeness of exchanges

14. Canada has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

15. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the completeness of exchanges. No concerns were reported.

(d) Timeliness of exchanges

16. Canada has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

17. Despite these processes Canada indicates that a number of CbC reports were exchanged late. These late exchanges were due to technical system errors which have since been corrected. The cause of these late exchanges has since been addressed and therefore no recommendation is required.

18. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the timeliness of exchanges and did not report any concerns.

(e) Temporary suspension of exchange or termination of QCAA

19. Canada has procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes and written procedures.

20. One jurisdiction provided peer input for the reviewed jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. No concerns were reported.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

21. Canada has processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes or written procedures.

22. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. No concerns were reported.

(g) Format for information exchange

23. Canada confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

24. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the format for information exchange. No concerns were reported.

(h) Method for transmission

25. Canada indicates that it uses the Common Transmission System to exchange CbC reports.

26. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the method for transmission. No concerns were reported.

Conclusion

27. Canada has in place the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Canada meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

28. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

29. One jurisdiction provided peer input for the reviewed jurisdiction in relation to appropriate use. No concerns were reported.

Conclusion

30. Canada meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of the Income Tax Act (R.S.C., 1985, c. 1 (5th Supp.)), Section 233.8 – Country-by-country report.

[2] Guidance RC4651 released on 2 March 2017.

[3] See http://www.oecd.org/tax/guidance-on-the-implementation-of-country-by-country-reporting-beps-action-13.pdf.

[4] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Cayman Islands

1. The Cayman Islands was first reviewed during the 2017/2018 peer review. This report is supplementary to the Cayman Islands' 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in the Cayman Islands applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. The Cayman Islands' implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. The Cayman Islands has primary and secondary laws (hereafter the "regulations") in place for implementing the BEPS Action 13 minimum standard[1] establishing the necessary requirements, including the filing and reporting obligations. Since the 2017/2018 peer review, guidance has also been published.[2] The Cayman Islands has provided an update with respect to the processes it has in place to ensure effective implementation.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. The Cayman Islands' 2017/2018 peer review included a general monitoring point concerning the fact that was no specific process that would allow it to take appropriate measures in case the Cayman Islands is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, the Cayman Islands has provided updated information, explaining that, in such a situation,

the Automatic Exchange of Information team in the Department for International Tax Cooperation is responsible for sending the notification to the Reporting Entity. The Tax Information Authority (the "TIA") can take the compliance measures specified in the regulations to obtain further information from any Reporting Entity. In addition, the regulations establish various offences, including for contravention of the TIA's notice to provide information.[3] In view of this update and specific process, the monitoring point is removed.

9. No other changes were identified with respect to the effective implementation.

Conclusion

10. There is no change to the conclusion in relation to the domestic legal and administration framework for the Cayman Islands since the previous peer review. The Cayman Islands meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, the Cayman Islands has 54 bilateral relationships in place, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, the Cayman Islands has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[4] Regarding the Cayman Islands' exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. The Cayman Islands has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

13. Peer input was received from one jurisdiction in relation to the content of information exchanged. There are no concerns to be reported in respect of the content of information exchanged.

(c) Completeness of exchanges

14. The Cayman Islands has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

15. Peer input was received from one jurisdiction in relation to the completeness of exchanges. There are no concerns to be reported in respect of the completeness of exchanges.

(d) Timeliness of exchanges

16. The Cayman Islands has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with

the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

17. Peer input was received from one jurisdiction in relation to the timeliness of exchanges. There are no concerns to be reported in respect of the timeliness of exchanges:[5]

(e) Temporary suspension of exchange or termination of QCAA

18. The Cayman Islands has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

19. Peer input was received from one jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. There are no concerns to be reported in respect of the temporary suspension of exchange or termination of QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

20. The Cayman Islands has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

21. Peer input was received from one jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. There are no concerns to be reported in respect of consultation with the other Competent Authority before determining systemic failure or significant non-compliance.

(g) Format for information exchange

22. The Cayman Islands confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

23. Peer input was received from one jurisdiction in relation to the format for information exchange. There are no concerns to be reported in respect of the format of information exchange.

(h) Method for transmission

24. The Cayman Islands indicates that it uses the Common Transmission System to exchange CbC reports.

25. Peer input was received from one jurisdiction in relation to the method for transmission. There are no concerns to be reported in respect of the method used for transmission.

Conclusion

26. The Cayman Islands has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. The Cayman Islands meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

27. No changes were identified in respect of appropriate use. The Cayman Islands is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. As such, it is not necessary for this peer review evaluation to reach any conclusion with respect to the Cayman Islands' compliance with paragraph 12 of the terms of reference on appropriate use.

Conclusion

28. There is no change to the conclusion in relation to the appropriate use for the Cayman Islands since the previous peer review. The Cayman Islands is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. As such, it is not necessary for this peer review evaluation to reach any conclusion with respect to these paragraphs of the terms of reference.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists the Tax Information Authority Law which gives effect to the terms of scheduled Agreements, which include the Convention on Mutual Administrative Assistance in tax matters (as amended by the Protocol) and bilateral agreements for the provision of information for tax purposes including the automatic exchange of information.

Secondary law consists of the "Tax Information Authority (International Tax Compliance) (Country-by-Country Reporting) Regulations, 2017": http://www.gov.ky/portal/pls/portal/docs/1/12554414.PDF.

[2] See guidance entitled "Cayman Islands Country-by-Country Reporting Guidance" at http://www.tia.gov.ky/pdf/CbCR_Legislation.pdf.

[3] As per the regulations, an offence is punishable with a fine of CI$10,000 or to imprisonment for a term of six months, or both. Alternatively, the TIA may impose an administrative penalty of CI$4,000 in relation to certain offences, including failure to comply with the TIA's notice to provide information.

[4] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction

[5] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

Chile

1. Chile was first reviewed during the 2017/2018 peer review. This report is supplementary to Chile's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Chile commences in respect of fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Chile's domestic and administrative framework to implement 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]), except that:

- It is recommended that Chile introduce enforcement measures applicable to Surrogate Parent Entities. This recommendation is unchanged from the 2017/2018 peer review.

3. It is recommended that Chile take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework as soon as possible.

4. It is recommended that Chile take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

5. The 2017/2018 peer review included recommendations to introduce the definition of "MNE Group" and to amend or otherwise clarify the annual consolidated group revenue threshold calculation rule applies in a manner consistent with the terms of reference. Chile has now introduced this definition in accordance with the terms of reference, as well as clarified the threshold calculation rule via regulatory decree DJ1937.[1] In light of the update provided by Chile, these two recommendations on the parent filing obligation are now removed.

6. The 2017/2018 peer review included a recommendation to implement procedures to exchange reports for the 2016 reporting period. As Chile now has QCAAs in effect for the exchange of reports this recommendation is removed.

Part A: The domestic legal and administrative framework

7. Chile has primary and secondary law [2] in place to implement the BEPS Action 13 minimum standard that impose and enforce CbC requirements on MNE Groups whose Ultimate Parent Entity is resident for tax purposes in Chile.

(a) Parent entity filing obligation

8. The 2017/2018 peer review included a recommendation to introduce the definition of an "MNE Group". Chile has now introduced this definition in accordance with the terms

of reference via regulatory decree DJ1937.[3] In light of the update provided by Chile, this recommendation is now removed.

9. The 2017/2018 peer review also included a recommendation to amend or otherwise clarify that the annual consolidated group revenue threshold calculation rule applies in a manner consistent with the terms of reference. Chile has now introduced this definition in accordance with the terms of reference via regulatory decree DJ1937.[4] In light of the update provided by Chile, this recommendation is now removed.

(b) Scope and timing of parent entity filing

10. Chile's 2017/2018 peer review included a general monitoring point with respect to the instructions of the item "Income – Related Party", to be included in a CbC Report, in order to issue an updated interpretation or clarification of the definition to ensure consistency with OECD guidance. Chile has now introduced this definition in accordance with the terms of reference via regulatory decree DJ1937.[5] The updated provision is consistent with the OECD guidance. In light of the update provided by Chile, this recommendation is now removed.

(c) Limitation on local filing obligation

11. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

12. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

13. The 2017/2018 peer review included a recommendation that Chile take steps to introduce enforcement measures applicable to Surrogate Parent Entities, as the current penalties only apply to Ultimate Parent Entities. This recommendation remains in place. It also included a monitoring point[6] that remains in place.

Conclusion

14. Chile meets all the terms of reference relating to the domestic legal and administrative framework, with the exception of the absence of enforcement measures on Surrogate Parent Entities (paragraph 8(e) i. of the terms of reference).

Part B: The exchange of information framework

(a) Exchange of information framework

15. The 2017/2018 peer review included a recommendation to implement procedures to exchange reports for the 2016 reporting period. This recommendation is removed.

16. As of 31 May 2019, Chile has 63 bilateral relationships in place for the exchange of CbC reports activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of tax information, Chile has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that currently meet the confidentiality, consistency and appropriate use conditions. Regarding Chile's exchange of information framework, no inconsistencies with the terms of reference were identified.[7]

(b) Content of information exchanged

17. Chile does not have processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged.

(c) Completeness of exchanges

18. Chile does not have processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

19. Chile does not have processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

20. Chile indicates that a number of CbC reports were exchanged late. These late exchanges were due to an operational issue in the access to the platform which was corrected and therefore no specific recommendation is required.

(e) Temporary suspension of exchange or termination of QCAA

21. Chile does not have processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

22. Chile does not have processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

23. Chile confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

24. Chile indicates that it intends to use the Common Transmission System to exchange CbC reports.

Conclusion

25. It is recommended that Chile take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework as soon as possible.

Part C: Appropriate use

26. The 2017/2018 peer review included a recommendation that Chile take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains in place.

27. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use.

Conclusion

28. Chile is recommended to take steps to ensure that appropriate use condition is met as soon as possible.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Chile introduce enforcement measures applicable to Surrogate Parent Entities.
Part B	Exchange of information framework	It is recommended that Chile take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Chile take steps to ensure that the appropriate use condition is met as soon as possible.

Notes

[1] http://www.sii.cl/declaraciones_juradas/suplemento/2019/instrucciones_DJ1937.pdf.

[2] Chile's primary law consists of a general provision in the tax legislation granting power to the Chilean Tax Authority to require information from its taxpayers (article 41, item 6 of Chilean Income Tax Law) and secondary law consists of a Resolution setting the obligation to present CbC report (Resolution No. 126/2016) and is available at www.sii.cl/documentos/resoluciones/2016/reso126.pdf. Annex No. 4 to the Resolution No. 126/2016 provides instructions for filing the CbC report and is available at: www.sii.cl/documentos/resoluciones/2016/reso126_anexo4.pdf.

[3] Section D of the updated instruction, available at: www.sii.cl/declaraciones_juradas/suplemento/2019/instrucciones_DJ1937.pdf.

[4] Item A of the updated instruction, available at: www.sii.cl/declaraciones_juradas/suplemento/2019/instrucciones_DJ1937.pdf.

[5] Section B of the updated instruction, available at: www.sii.cl/declaraciones_juradas/suplemento/2019/instrucciones_DJ1937.pdf.

[6] Chile's 2017/2018 peer review included a monitoring point relating to the absence of specific processes in place that would allow Chile to take appropriate measures in case it is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This monitoring point remains in place.

[7] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

China (People's Republic of)

1. China was first reviewed during the 2017/2018 peer review. This report is supplementary to China's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in China commences in respect of financial years beginning on or after 1 January 2016.

Summary of key findings

2. China's implementation of Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]) relating to the domestic legal and administrative framework, except for the following:

- China's 2017/2018 peer review included a recommendation that China clarify the exact scope, conditions and legal basis under the minimum standard and/or the exchange of information framework for the filing exemption in relation to information relating to National Security. This recommendation remains in place.
- China's 2017/2018 peer review included a recommendation that China amend its legislation or otherwise takes steps to ensure that local filing is only required in the circumstances contained in the terms of reference. This recommendation remains in place.

3. It is recommended that China should continue to work actively towards putting in place qualifying competent authority arrangements with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which China has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that China take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.

5. The 2017/2018 peer review included a recommendation that China take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. China now has processes which have enabled it to answer yes to all 6 questions on appropriate use identified in the OECD *Guidance on the Appropriate Use of Information contained in CbC Reports* (OECD, 2017[4]). The recommendation is therefore removed

Part A: The domestic legal and administrative framework

6. China has primary and secondary laws in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.

(a) Parent entity filing obligation

7. China's 2017/2018 peer review included a recommendation that China clarify the exact scope, conditions and legal basis under the minimum standard and/or the exchange of information framework for the filing exemption in relation to information relating to National Security. This recommendation remains in place. China confirm that, as at 31 March 2019, no MNEs have been exempted from filing under this provision.

(b) Scope and timing of parent entity filing

8. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

9. China's 2017/2018 peer review included a recommendation that China amend its legislation or otherwise takes steps to ensure that local filing is only required in the circumstances contained in the terms of reference. This recommendation remains in place. China confirm that, as at 31 March 2019, no foreign MNEs have been required to comply with local filing rules.

(d) Limitation on local filing in case of surrogate filing

10. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

11. No changes were identified with respect to the effective implementation

Conclusion

12. There is no change in relation to the domestic legal and administration framework for China since the previous peer review.

13. China's 2017/2018 peer review included a recommendation that China clarify the exact scope, conditions and legal basis under the minimum standard and/or the exchange of information framework for the filing exemption in relation to information relating to National Security. This recommendation remains in place.,

14. China's 2017/2018 peer review included a recommendation that China amend its legislation or otherwise takes steps to ensure that local filing is only required in the circumstances contained in the terms of reference. This recommendation remains in place.

Part B: The exchange of information framework

(a) Exchange of information framework

15. As at 31 May 2019, China has 44 bilateral relationships activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, China should continue to take steps to have Qualifying Competent Authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.

(b) Content of information exchanged

16. China does not have a process or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

17. It is recommended that China implement a process to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

18. China has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA. It has provided details in relation to these procedures.

(d) Timeliness of exchanges

19. China has processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs. It has provided details in relation to these procedures.

(e) Temporary suspension of exchange or termination of QCAA

20. China has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA. It has provided details in relation to these procedures.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

21. China has processes in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority. It has provided details in relation to these procedures.

(g) Format for information exchange

22. China confirms that it uses the OECD XML schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports

(h) Method for transmission

23. China indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

24. It is recommended that China should continue to work actively towards putting in place qualifying competent authority arrangements with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which China has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

25. China does not yet have in place the necessary processes and written procedures to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged. It is recommended that China implement a process to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

Part C: Appropriate use

26. The 2017/2018 peer review included a recommendation that China take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. China now has processes which have enabled it to answer yes to all 6 questions on appropriate use identified in the OECD *Guidance on the Appropriate Use of Information contained in CbC Reports* (see Appendix A). The recommendation is therefore removed.

Conclusion

27. China meets all the terms of reference in relation to appropriate use.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that China clarify the exact scope and legal basis under the minimum standard and/or the exchange of information framework for the filing exemption in relation to national security.
Part A	Domestic legal and administrative framework	It is recommended that China amend its legislation or otherwise take steps to ensure that local filing is only required in the circumstances contained in the terms of reference.
Part B	Exchange of information framework	It is recommended that China should continue to work actively towards putting in place qualifying competent authority arrangements with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which China has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that China implement a process to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.
Part C	Appropriate Use	-

Colombia

1. Colombia was first reviewed during the 2017/2018 peer review. This report is supplementary to Colombia's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Columbia commences in respect of periods commending on or after 1 January 2016.

Summary of key findings

2. Colombia's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

3. Colombia's 2017/2018 peer review included a recommendation that Colombia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Colombia now has measures in place to ensure the appropriate use of information in all six areas identified in the OECD *Guidance on the Appropriate Use of Information contained in CbC Reports* (OECD, 2017[4]). Therefore, the recommendation with respect to appropriate use issued in the 2017/2018 peer review is removed.

Part A: The domestic legal and administrative framework

4. Colombia has primary and secondary laws[1] (hereafter the "regulations") in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations. Guidance has also been published.[2]

(a) Parent entity filing obligation

5. Colombia's 2017/2018 peer review included a general monitoring point relating to the definition of a UPE. Colombia committed to clarifying the reading of its definition of a UPE through guidance. Colombia has issued a clarification on its Colombian Tax Administration (DIAN) website.[3] Colombia also confirms that to date there have been no enquiries from taxpayers on this point. The monitoring point is therefore removed.

(b) Scope and timing of parent entity filing

6. Colombia's 2017/2018 peer review included a monitoring point relating to the filing deadline for the first filing obligation, which was longer than the general rule. Colombia confirmed that a longer deadline for the first filing obligation has not had any impact on its obligations relating to the exchange of information under the terms of reference. For the 2017 fiscal year onwards, the deadline has been established within 12 months after the end of the taxable year, which is in line with the terms of reference. In view of this update and of the establishment of a deadline for the upcoming years this monitoring point is removed.

(c) Limitation on local filing obligation

7. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

8. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

9. Colombia's 2017/2018 peer review included a monitoring point concerning the fact that was no specific process that would allow it to take appropriate measures in case Colombia is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Colombia has provided updated information, explaining that, in case that the DIAN detect errors in the CbC report, a tax auditor from the International Audit Unit would contact the taxpayer to fill an amended CbC report.[4] Once a corrected CbC report has been submitted to the DIAN, it will then be exchanged with other jurisdictions shortly thereafter. In view of this update and specific process, the monitoring point is removed.

Conclusion

10. There is no change to the conclusion in relation to the domestic legal and administration framework for Colombia since the previous peer review. Colombia meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Colombia has 64 bilateral relationships in place, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, Colombia has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[5] Regarding Colombia's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. Colombia has written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these procedures.

(c) Completeness of exchanges

13. Colombia has written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these procedures.

(d) Timeliness of exchanges

14. Colombia has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines

provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these procedures.

(e) Temporary suspension of exchange or termination of QCAA

15. Colombia has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Colombia has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those procedures.

(g) Format for information exchange

17. Colombia confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

18. Colombia indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

19. Colombia has in place the necessary processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Colombia meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

20. The 2017/2018 peer review included a recommendation that Colombia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Colombia now has measures in place to ensure the appropriate use of information in all six areas identified in the OECD *Guidance on the Appropriate use of Information contained in CbC Report.*

21. Since the 2017/2018 peer review, Colombia has provided details in relation to these measures, enabling it to answer "yes" to the additional questions on appropriate use.

22. In light of the update provided by Colombia the recommendation on appropriate use is removed. No concerns were reported for Colombia in respect of the appropriate use condition.

Conclusion

23. Colombia meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of Article 108 of Law 1819 of 2016, which modified Article 260-5 of the Colombian Tax Code (CTC). Secondary law consists of Decree No. 2120/2017.

[2] Guidance was issued and consists of DIAN Resolution No.71 of 28 December 2017, available at www.dian.gov.co/normatividad/Normatividad/Resolución%20000071%20de%2028-12-2017.pdf.

[3] www.dian.gov.co/Transaccional/GuaServiciosLinea/FAQ_DIAN_PAISXPAIS.PDF.

[4] Pursuant to article 5, Resolution DIAN No. 71/2017.

[5] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Congo

1. This report is Congo's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. There is no filing obligation for a CbC report in Congo yet.

Summary of key findings

2. Congo does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Congo take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

3. It is recommended that Congo take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Congo has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Congo take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Congo take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

6. It is however noted that Congo will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Congo does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

8. Congo does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2018 fiscal year.

9. It is recommended that Congo take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

10. In respect of paragraph 8 of the terms of reference, Congo does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Congo. It is recommended that Congo take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Congo has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Congo take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Congo has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

12. Congo does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

13. Congo does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

14. Congo does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

15. Congo does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Congo does not yet have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

17. Congo has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

18. Congo has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

19. It is recommended that Congo take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Congo has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

20. It is recommended that Congo take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Congo has no international exchange agreements and will not be exchanging CbC reports in 2019.

Part C: Appropriate use

21. Congo does not yet have measures in place relating to appropriate use. It is recommended that Congo to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

22. It is recommended that Congo take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information. It is however noted that Congo will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Congo take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Congo take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Congo has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Congo take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Congo take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Costa Rica

1. Costa Rica was first reviewed during the 2017/2018 peer review. This report is supplementary to Costa Rica's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Costa Rica commences in respect of periods commending on or after 1 January 2017.

Summary of key findings

2. Costa Rica's domestic legal and administrative framework meets all applicable terms of reference (OECD, 2017[2]), except for the following:

- It is recommended that Costa Rica complete its definition of "Ultimate Parent Entity" to be in line with the terms of reference.
- It is recommended that Costa Rica amend its rules or otherwise ensures that a CbC report is not filed later than 12 months after the end of the accounting period and not subsequently exchanged more than 15 months after the end of the accounting period with partner jurisdictions.

These recommendations remain unchanged since the 2017/2018 peer review.

3. It is recommended that Costa Rica take steps to implement the necessary processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

4. Costa Rica's 2017/2018 peer review included a recommendation to continue to take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Costa Rica has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. Bilateral relationships are now in place so this recommendation is removed

5. Costa Rica's 2017/2018 peer review included a recommendation that Costa Rica take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Costa Rica is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. The recommendation is removed and it is not necessary for this peer review evaluation to reach any conclusion with respect to Costa Rica's compliance with the terms of reference on appropriate use.

Part A: The domestic legal and administrative framework

6. Costa Rica has rules (primary law)[1] in place to implement the BEPS Action 13 minimum standard that impose and enforce CbC requirements on MNE Groups whose Ultimate Parent Entity is resident for tax purposes in Costa Rica.

(a) Parent entity filing obligation

7. The 2017/2018 peer review included a recommendation to amend or otherwise clarify that the definition of "Ultimate Parent Entity "applies only to those entities in which no other entities hold an interest[2]. This recommendation remains in place.

(b) Scope and timing of parent entity filing

8. The 2017/2018 peer review included a recommendation to Costa Rica amend its rules on the filing deadline or otherwise ensure that a CbC report is not filed later than 12 months after the end of the accounting period and that is not subsequently exchanged later than 15 months after the end of the accounting period with partner jurisdictions. This recommendation remains in place.[3]

(c) Limitation on local filing obligation

9. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

10. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.[4]

Conclusion

12. There is no change to the conclusion in relation to the domestic legal and administration framework for Costa Rica since the previous peer review.

13. It is recommended that Costa Rica complete its definition of "Ultimate Parent Entity" to be in line with the terms of reference.

14. It is recommended that Costa Rica amend its rules or otherwise ensures that a CbC report is not filed later than 12 months after the end of the accounting period and not subsequently exchanged more than 15 months after the end of the accounting period with partner jurisdictions.

15. These recommendations remain unchanged since the 2017/2018 peer review.

Part B: The exchange of information framework

(a) Exchange of information framework

16. Costa Rica's 2017/2018 peer review included a recommendation to continue to take steps to have Qualifying Competent Authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Costa Rica has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. Bilateral relationships are now in place so this recommendation is removed.

17. As of 31 May 2019, Costa Rica has 54 bilateral relationships activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, Costa Rica has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Costa

Rica has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.[5] Regarding Costa Rica's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

18. Costa Rica does not have procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It is recommended that Costa Rica take steps to implement such procedures.

(c) Completeness of exchanges

19. Costa Rica does not have processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

20. Costa Rica does not have yet processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

21. Costa Rica does not have yet processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

22. Costa Rica does not have yet processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

23. Costa Rica confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

24. Costa Rica indicates that it intends to use the Common Transmission System to exchange CbC reports.

Conclusion

25. It is recommended that Costa Rica take steps to implement the necessary processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

Part C: Appropriate use

26. Costa Rica's 2017/2018 peer review included a recommendation that it take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Since the 2017/2018 peer review, Costa Rica has issued a guideline and provided details in relation to these measures (OECD, 2017[4]), enabling it to answer "yes"

to the additional questions on appropriate use. The recommendation with respect to appropriate use issued in the 2017/2018 peer review is removed.

Conclusion

27. Costa Rica's 2017/2018 peer review included a recommendation that Costa Rica take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Costa Rica is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. The recommendation is removed and it is not necessary for this peer review evaluation to reach any conclusion with respect to Costa Rica's compliance with the terms of reference on appropriate use.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework – parent filing obligation	It is recommended that Costa Rica complete its definition of "Ultimate Parent Entity" to be in line with the terms of reference.
Part A	Domestic legal and administrative framework - Scope and timing of parent entity filing – filing date	It is recommended that Costa Rica amend its rules or otherwise ensures that a CbC report is not filed later than 12 months after the end of the accounting period and not subsequently exchanged more than 15 months after the end of the accounting period with partner jurisdictions.
Part B	Exchange of information framework	It is recommended that Costa Rica take steps to have the necessary processes in place ahead of the first exchanges of CbC reports.
Part C	Appropriate use	-

Notes

[1] Costa Rica's primary law consists of the Resolution n° DGT-R-001-2018, published on 11 January 2018.

[2] Article 1, item 6 of Costa Rica's rules does not make it clear that an entity cannot be an Ultimate Parent Entity if another Constituent Entity holds an interest in that entity (i.e. the ultimate holding company must be the top level holding company in the MNE group).

[3] The 2017/2018 peer review also included a monitoring point for the first year exchanges, to ensure that the filing deadline will not impact the ability of the Costa Rica to meet its obligations relating to the exchange of information under the terms of reference. This monitoring point remains in place.

[4] Costa Rica's 2017/2018 peer review included a monitoring point relating to the absence of specific processes in place that would allow Costa Rica to take appropriate measures in case it is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This aspect will be further monitored once the actual exchanges of CbC reports will commence. This monitoring point remains in place.

[5] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Côte d'Ivoire

1. Côte d'Ivoire was first reviewed during the 2017/2018 peer review. This report is supplementary to Côte d'Ivoire 's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Côte d'Ivoire commences in respect of periods beginning on or after 1 January 2018.

Summary of key findings

2. Côte d'Ivoire's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]), except for the following:

- it is recommended that Côte d'Ivoire amend the rule relating to the filing threshold, which should be determined in relation to the fiscal year preceding the reporting fiscal year,
- it is recommended that Côte d'Ivoire have enforcement measures in case of an incomplete or erroneous filing of a CbC report. This recommendation remains in place since Côte d'Ivoire 's 2017/2018 peer review,

3. Côte d'Ivoire's 2017/2018 peer review included a recommendation that Côte d'Ivoire complete the definition of an "Ultimate Parent Entity" in a manner consistent with the terms of reference, and introduce the definitions of "MNE Group", "Group" and "Constituent Entity". Côte d'Ivoire has published guidance which completes or introduces these definitions. Therefore the recommendation with respect to the definitions issued in the 2017/2018 peer review is removed

4. It is recommended that Côte d'Ivoire take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Côte d'Ivoire has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains in place since Côte d'Ivoire's 2017/2018 peer review.

5. It is recommended that Côte d'Ivoire have in place the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. It is however noted that Côte d'Ivoire will not be exchanging CbC reports in 2019.

6. It is recommended that Côte d'Ivoire take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains in place since Côte d'Ivoire's 2017/2018 peer review.

7. It is however noted that Côte d'Ivoire will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

8. Côte d'Ivoire has primary legislation in place to implement the BEPS Action 13 minimum standard. Since the previous peer review, it has published guidance (an "administrative instruction").[1]

(a) Parent entity filing obligation

9. Côte d'Ivoire has introduced a domestic legal and administrative framework which imposes a CbC filing obligation on Ultimate Parent Entities of MNE Groups above a certain threshold of revenue, whereby all required Constituent Entities of the MNE Group are included in the CbC report and no entity is excluded from CbC reporting other than permitted by the Action 13 report

10. Côte d'Ivoire's 2017/2018 peer review included a recommendation that Côte d'Ivoire complete the definition of an "Ultimate Parent Entity" in a manner consistent with the terms of reference, and introduce the definitions of "MNE Group", "Group" and "Constituent Entity". Côte d'Ivoire has published guidance which has completed or introduced these definitions.[2] The recommendation with respect to the definitions issued in the 2017/2018 peer review is removed.

11. According to Côte d'Ivoire's primary legislation, the filing threshold shall be considered with respect to the reportable fiscal year. However, according to the terms of reference (paragraph 8(a) ii.), the filing threshold should be considered with respect to the fiscal year immediately preceding the reportable fiscal year. It is recommended that Côte d'Ivoire amend its primary legislation (and corresponding provisions in the administrative instruction) in order to bring the filing threshold rule in line with the terms of reference.

12. No other inconsistencies were identified with respect to Côte d'Ivoire's domestic legal framework in relation with the parent entity filing obligation.

(b) Scope and timing of parent entity filing

13. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

14. No changes were identified with respect to the limitation on local filing obligation.3

(d) Limitation on local filing in case of surrogate filing

15. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

16. Côte d'Ivoire's 2017/2018 peer review included a recommendation that Côte d'Ivoire implement enforcement measures in case of incomplete or erroneous filing of a CbC report.[4] This recommendation remains in place.[5]

Conclusion

17. Côte d'Ivoire has primary law as well as an administrative instruction that impose and enforce CbC requirements on MNE Groups whose Ultimate Parent Entity is resident for tax purposes in Côte d'Ivoire. Côte d'Ivoire meets the terms of reference relating to the domestic legal and administrative framework, with the following exceptions:

- It is recommended that Côte d'Ivoire amend the rule relating to the filing threshold, which should be determined in relation to the fiscal year preceding the reporting fiscal year,
- It is recommended that Côte d'Ivoire have enforcement measures in case of an incomplete or erroneous filing of a CbC report.[6] This recommendation remains in place since Côte d'Ivoire's 2017/2018 peer review.

Part B: The exchange of information framework

(a) Exchange of information framework

18. As of 31 May 2019, Côte d'Ivoire has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Côte d'Ivoire take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Côte d'Ivoire has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation is unchanged from the 2017/2018 peer review.

(b) Content of information exchanged

19. Côte d'Ivoire does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template is present in the information exchanged.

(c) Completeness of exchange

20. Côte d'Ivoire does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

21. Côte d'Ivoire does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

22. Côte d'Ivoire does not have process or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

23. Côte d'Ivoire does not yet have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

24. Côte d'Ivoire has not indicated whether it will use the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

25. Côte d'Ivoire has not indicated whether it will use the Common Transmission System to exchange CbC reports.

Conclusion

26. It is recommended that Côte d'Ivoire take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Côte d'Ivoire has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged from the 2017/2018 review.

27. Further, it is recommended that Côte d'Ivoire take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Côte d'Ivoire will not be exchanging CbC reports in 2019.

Part C: Appropriate use

28. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Côte d'Ivoire to take steps to have measures in place relating to appropriate use remains in place. It is however noted that Côte d'Ivoire will not be exchanging CbC reports in 2019.

Conclusion

29. The recommendation for Côte d'Ivoire to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remain in place. It is however noted that Côte d'Ivoire will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Côte d'Ivoire amend the filing threshold rule in order to bring it in line with the terms of reference.
Part A	Domestic legal and administrative framework	It is recommended that Côte d'Ivoire have enforcement measures in case of an incomplete or erroneous filing of a CbC report.
Part B	Domestic legal and administrative framework	It is recommended that Côte d'Ivoire take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use pre-requisites and with which Côte d'Ivoire has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is also recommended that Côte d'Ivoire have in place the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Côte d'Ivoire take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information

Notes

[1] Cote d'Ivoire's primary law consists of Article 36 bis of the General Tax Code which entered in force on 19 February 2018. An administrative instruction was published on 13 March 2018.

[2] The administrative instruction has clarified the provisions of the primary legislation and has notably included the definitions of "Ultimate Parent Entity", "Group", "MNE Group" and "Constituent Entity".

[3] Cote d'Ivoire has not introduced local filing requirements as from the reporting period starting on or after 1 January 2018, or for later reporting periods.

[4] Although the administrative instruction mentions that the penalty also applies in case of incomplete or erroneous information in CbC reports, Cote d'Ivoire indicates that it will amend its primary legislation in order to make sure that the penalty also applies in case of incomplete or erroneous filing of a CbC report.

[5] Cote d'Ivoire's 2017/2018 peer review included a general monitoring point relating to a specific process to that would allow to take appropriate measures in case Cote d'Ivoire is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This monitoring point remains in place.

Croatia

1. Croatia was first reviewed during the 2017/2018 peer review. This report is supplementary to Croatia's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Croatia applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Croatia's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

3. Croatia's 2017/2018 peer review included a recommendation that Croatia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Croatia now has measures in place to ensure the appropriate use of information in all six areas identified in the *OECD Guidance on the appropriate use of information contained in CbC Reports* (OECD, 2017[4]). The recommendation with respect to appropriate use issued in the 2017/2018 peer review is removed.

Part A: The domestic legal and administrative framework

4. Croatia has primary and secondary laws in place to implement the BEPS Action 13 minimum standard[1] establishing the necessary requirements, including the filing and reporting obligations. Since the 2017/2018 peer review, guidance has also been published.[2] Croatia has provided an update with respect to the processes it has in place to ensure effective implementation.

(a) Parent entity filing obligation

5. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

6. No changes were identified with respect to the scope and timing of parent entity filing.[3]

(c) Limitation on local filing obligation

7. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

8. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

9. Croatia's 2017/2018 peer review included a general monitoring point concerning the fact that was no specific process to that would allow it to take appropriate measures in

case Croatia is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Croatia has provided updated information, explaining that, in such a situation, responsible regional tax office will be in charge to send the notification to the Reporting Entity specifying to correct or submit the CbC report in due time. Tax Administration has powers to perform compliance audits and impose penalties if the Reporting Entity fails to correct or submit the report. In view of this update and specific process, the monitoring point is removed.

10. No other changes were identified with respect to the effective implementation.

Conclusion

11. There is no change to the conclusion in relation to the domestic legal and administration framework for Croatia since the previous peer review. Croatia meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

12. As of 31 May 2019, Croatia has 67 bilateral relationships in place, including those activated under the CbC MCAA, bilateral QCAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Croatia has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[4] Regarding Croatia's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

13. Croatia has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

14. Croatia has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

15. Croatia has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

(e) Temporary suspension of exchange or termination of QCAA

16. Croatia has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried

out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

17. Croatia has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

18. Croatia indicates that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

19. Croatia indicates that it uses the Common Transmission System to exchange CbC reports.[5]

Conclusion

20. Croatia has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Croatia meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

21. The 2017/2018 peer review included a recommendation that Croatia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Since the 2017/2018 peer review, Croatia has issued an internal instruction[6] and provided details in relation to these measures, enabling it to answer "yes" to the additional questions on appropriate use. Croatia now has measures in place to ensure the appropriate use of information in all six areas identified in the *OECD Guidance on the Appropriate use of Information contained in CbC Reports* (OECD, 2017[4]). In light of the update provided by Croatia the recommendation on appropriate use is removed.

22. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

23. Croatia meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of the Act on Administrative Cooperation in the Field of Taxation (the "Act") (See Section 4 Articles 34 and 35 for Automatic exchange of information on the country-by-country report). Amendments to the Act are in force as from 1 of January 2018 (Official Gazette 130/2017). Secondary law consists of the Ordinance issued by the Ministry of Finance (hereafter referred to as the "Ordinance") on the automatic exchange of information in the field of taxation. The Ordinance transposes the provisions of the following European Directives into the legal order of the Republic of Croatia: (1) Annex I and Annex II of Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (hereinafter: Directive 2014/107/EU) and (2) Annex III of Council Directive (EU) 2016/881 of 25 May 2016 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (SL L 146, 3. 6. 2016).

[2] Guidance on Automatic Exchange of Information has also been published on the official web site www.porezna-uprava.hr/HR_publikacije/Prirucnici_brosure/10A_RazmjenaInformacija_web.pdf.

[3] Croatia's 2017/2018 peer review included a monitoring point relating to the definition of "related enterprises". This monitoring point remains in place.

[4] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[5] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

[6] Croatia provided the internal instruction named "Instruction on carrying out the procedures of receiving and using information, documents and data contained in the obtained Country-by-Country Reports", which is entered into force on 14 September 2018.

Curaçao

1. Curaçao was first reviewed during the 2017/2018 peer review. This report is supplementary to Curaçao's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Curaçao applies to reporting fiscal years ending on or after 1 January 2018. Curaçao also allows its MNE groups to file a CbC report on a voluntary basis, for reporting fiscal years ending prior to 1 January 2018 (i.e. "parent surrogate filing").

Summary of key findings

2. Curaçao's implementation of the Action 13 minimum standard meets all the terms of reference (OECD, 2017[2]).

3. Curaçao's 2017/2018 peer review included a recommendation that it finalise its domestic legal and administrative framework in relation to CbC requirements as soon as possible. This recommendation is now removed.

4. Curacao's 2017/2018 peer review included a recommendation that Curacao take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. Bilateral relationships are now in place so the recommendation is therefore removed.

Part A: The domestic legal and administrative framework

5. Curaçao has primary and secondary legislation in place to implement the BEPS Action 13 minimum standard to impose and enforce CbC requirements on MNE groups whose Ultimate Parent Entity is resident for tax purposes in Curaçao. Curaçao's 2017/2018 peer review included a recommendation that it finalise its domestic legal and administrative framework in relation to CbC requirements as soon as possible. This recommendation is now removed.

(a) Parent entity filing obligation

6. Curaçao has introduced a domestic legal and administrative framework which imposes a CbC filing obligation on ultimate Parent Entities of MNE Groups above a certain threshold of revenue, whereby all required Constituent Entities of the MNE Group are included in the CbC report and no entity is excluded from CbC Reporting other than permitted by the Action 13 report (OECD, 2015).

(b) Scope and timing of parent entity filing

7. The first filing obligation for a CbC report in Curaçao commences in respect of fiscal years ending after 1 January 2018. The CbC report must be filed within 12 months after the end of the period to which the CbC report of the MNE Group relates.

(c) Limitation on local filing obligation

8. Curaçao has legislative local filing requirements as from the reporting period starting on or after 1 January 2018. As a non-reciprocal jurisdiction, Curaçao has not been reviewed against the terms of reference concerning consistency, confidentiality and the appropriate use of CbC reports. As such, the conditions under which local filing may be applied are not met. Curaçao has issued a public notice that local filing is suspended until further notice and does not intend to re-implement the requirement unless it meets the conditions necessary to be a reciprocal jurisdiction.[1]

(d) Limitation on local filing in case of surrogate filing

9. Curaçao's local filing as legislated will not apply if there is surrogate filing in another jurisdiction. In any case local filing is currently suspended until further notice.

(e) Effective implementation

10. Curaçao has legal mechanisms in place to enforce compliance with the minimum standard: Curaçao monitors UPEs and SPEs and notifies them when they meet the threshold requirement and need to file a CbC report. Curaçao confirms that it has penalty provisions for non-compliance with CbC obligations including late or incorrect filing and also the power to audit where there is non-compliance with a filing obligation.

11. Curaçao indicates that it has a process in place that will allow it to take appropriate measures in case it is notified by another jurisdiction that there has been late, incomplete or missed filing in Curaçao. The other jurisdiction will be contacted to verify the reason why it believes that an error may have led to incorrect or incomplete information reporting or that there is non-compliance of a reporting entity. Afterwards the Inspectorate of Taxes will initiate an audit to verify if the reasons of the other jurisdiction are valid. In cases of non-compliance of the request of the Inspectorate of Taxes to correct the report or to file a report, following an audit initiated by the audit department, an administrative fine or a criminal sanction (after a criminal investigation) may be applied.

Conclusion

12. Curaçao has a domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Curaçao. Curaçao meets all the terms of reference relating to the domestic legal and administrative framework.

13. The recommendation in the 2017/18 peer review, that Curaçao take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, is removed.

Part B: The exchange of information framework

(a) Exchange of information framework

14. Curaçao's 2017/2018 peer review included a recommendation that Curacao take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. Bilateral relationships are now in place and the recommendation is therefore removed.

15. As of 31 May 2019, Curaçao has 49 bilateral relationships in place for the exchange of CbC reports, activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of tax information,

Curacao has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that currently meet the confidentiality, consistency and appropriate use conditions. Regarding Curaçao's exchange of information framework, no inconsistencies with the terms of reference were identified.[2]

(b) Content of information exchanged

16. Curaçao has processes in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged. It has provided details in relation to these processes.

17. No information or peer input was received for Curaçao in relation to the content of information exchanged. There are no concerns to be reported in respect of the content of information exchanged.

(c) Completeness of exchanges

18. Curaçao has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA. It has provided details in relation to these processes.

19. No information or peer input was received for Curaçao in relation to the completeness of exchanges. There are no concerns to be reported in respect of the completeness of exchanges.

(d) Timeliness of exchanges

20. Curaçao has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

21. No information or peer input was received for Curaçao in relation to the timeliness of exchanges. There are no concerns to be reported in respect of the timeliness of exchanges.

(e) Temporary suspension of exchange or termination of QCAA

22. Curaçao has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA. It has provided details of these processes.

23. No information or peer input was received for Curaçao in relation to a temporary suspension of the exchange of information or termination of a QCAA. There are no concerns to be reported in respect of the temporary suspension of exchange or termination of a QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

24. Curaçao has processes in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority. It has provided details of these processes.

25. No information or peer input has was received for Curaçao in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. There are no concerns to be reported in respect of consultation with the other Competent Authority before determining systemic failure or significant non-compliance.

(g) Format for information exchange

26. Curaçao confirms that it will use the OECD XML Schema and User Guide (OECD, 2017[3]) for the exchange of CbC reports.

(h) Method for transmission

27. Curaçao confirms that it will use the Common Transmission System for exchanging CbC reports.

Conclusion

28. The recommendation in the 2017/2018 peer review for Curaçao to take steps to sign the CbC MCAA and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Curaçao has an international exchange of information agreement in effect that allows for the automatic exchange of tax information is removed.

29. Curaçao has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Curaçao meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

30. Curaçao is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. It is therefore not necessary for this peer review evaluation to reach any conclusions with respect to appropriate use of the reports.

Conclusion

31. Curaçao is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. It is therefore not necessary for this peer review evaluation to reach any conclusions with respect to Curaçao's compliance with paragraphs 11(a), (b), (c) and (d) and paragraph 12(a) of the terms of reference on appropriate use.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] www.gobiernu.cw/nl/landscourant/2019-11/ (then select bekendmaking from menu on the left of the page)

[2] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Czech Republic

1. The Czech Republic was first reviewed during the 2017/2018 peer review. This report is supplementary to the Czech Republic's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in the Czech Republic applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. The Czech Republic's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

3. The Czech Republic's 2017/2018 peer review included a recommendation that the Czech Republic i) amend or otherwise clarify that the annual consolidated group revenue threshold calculation rule applies without prejudice of the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than the Czech Republic and ii) take steps to ensure that local filing is only required in the circumstances contained in the terms of reference. The Czech Republic has amended its legislation to clarify that the annual revenue threshold calculation rule would apply in accordance with the OECD guidance and that local filing would be triggered in circumstances contained in the terms of reference. Both recommendations from the 2017/2018 peer review are removed.

4. The Czech Republic's 2017/2018 peer review included a recommendation that the Czech Republic take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. The Czech Republic now has measures in place to ensure the appropriate use of information in all six areas identified in the OECD Guidance on the appropriate use of information contained in CbC Reports (OECD, 2017[4]). The recommendation with respect to appropriate use issued in the 2017/2018 peer review is removed.

Part A: The domestic legal and administrative framework

5. The Czech Republic has primary law (hereafter the "Act on International Cooperation") and secondary law (hereafter the "regulations") in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations.[1]

(a) Parent entity filing obligation

6. The Czech Republic's 2017/2018 peer review included a recommendation that the Czech Republic amend or otherwise clarify its rule for the calculation of the annual consolidated group revenue threshold calculation so that it applies in a manner consistent with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than the Czech Republic, when local filing requirements are applicable.

7. The Czech Republic has published amended legislation to address this recommendation. It is noted in the amended legislation[2] with respect to the threshold calculation that *"If law of the state or jurisdiction of the Ultimate Parent Entity of a Group contains rules, according to which the Group is not a MNE Group, which are based on comparation of total consolidated group revenue and EUR 750 000 000 or an amount in local currency approximately equivalent to EUR 750 000 000 as of January 2015, these rules will be used instead of subsection 2*".[3] This is consistent with the intention of guidance on the impact of currency fluctuations on the threshold, published by the OECD in June 2016.[4] The recommendation with respect to the threshold calculation is removed.

(b) Scope and timing of parent entity filing

8. The Czech Republic's 2017/2018 peer review noted that published CbCR guidance was in the process of being amended to reflect updated OECD guidance and this would be monitored. Updated guidance has now been published[5] and therefore, this monitoring point is removed.

(c) Limitation on local filing obligation

9. The Czech Republic's 2017/2018 peer review included a recommendation that the Czech Republic amend its legislation or otherwise take steps to ensure that local filing is only required in the circumstances contained in the terms of reference. This recommendation remains in place. The Czech Republic has issued amended legislation to address to clarify that local filing would apply in circumstances contained in the terms of reference[6] and as such, this recommendation is removed.[7]

(d) Limitation on local filing in case of surrogate filing

10. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

11. No changes were identified with respect to the effective implementation.

Conclusion

12. The Czech Republic's 2017/2018 peer review contained two recommendations in relation to the domestic legal and administration framework for the Czech Republic: (i) the annual consolidated group revenue threshold (paragraphs 8(a) ii. of the terms of reference) and (ii) the local filing conditions (paragraphs 8(c) iv. b) of the terms of reference). The Czech Republic has issued amended legislation to address these recommendations and so the recommendations in relation to the legal and administrative framework are removed. The Czech Republic meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

13. As of 31 May 2019, the Czech Republic has 68 bilateral relationships in place for the exchange of CbC reports, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of tax information, the Czech Republic has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that currently meet the

confidentiality, consistency and appropriate use conditions. Regarding the Czech Republic's exchange of information framework, no inconsistencies with the terms of reference were identified.[8]

(b) Content of information exchanged

14. The Czech Republic has written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these written procedures.

(c) Completeness of exchanges

15. The Czech Republic has written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these written procedures.

(d) Timeliness of exchanges

16. The Czech Republic has written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these written procedures.

17. Despite these processes, Czech Republic indicates that a number of CbC reports were exchanged late. These late exchanges were due to an automated system error. The cause of these late exchanges has since been addressed and therefore no recommendation is required.

(e) Temporary suspension of exchange or termination of QCAA

18. The Czech Republic has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. The Czech Republic has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

The Czech Republic confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

20. The Czech Republic indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

21. The Czech Republic has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference

relating to the exchange of information framework. The Czech Republic meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

22. The 2017/2018 peer review included a recommendation that the Czech Republic take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. The Czech Republic now has measures in place to ensure the appropriate use of information in all six areas identified in the OECD *Guidance on the Appropriate use of Information contained in CbC Reports*. not be used as a substitute for a detailed transfer pricing analysis of individual transactions and prices based on a full functional analysis and a full comparability analysis. Since the 2017/2018 peer review, the Czech Republic has provided details in relation to these measures, enabling it to answer "yes" to the additional questions on appropriate use. In light of the update provided by the Czech Republic, the recommendation on appropriate use is removed. There are no concerns to be reported for the Czech Republic in respect of the appropriate use condition.

Conclusion

23. The Czech Republic meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework - Parent entity filing obligation annual consolidated group revenue threshold	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] The primary law with respect to Country-by-Country Reporting (CbCR) consists of Division 5 "Automatic Exchange of Information Reported by Multinational Enterprise Groups" under amended Act no. 164/2013 Sb. on international tax cooperation, as amended by the Senate Act No. 344 /2013, Act No. 105/2016 Coll., Act No. 188 /2016 Coll., Act No. 92/2017 Coll. and Law No. 305. Division 5 consists of Sections 13za – 13zq (the "amended International Cooperation Act"). See the amended Act on International Cooperation (item no.37). S[econdary law] (hereafter the "regulations") consists of a ministerial decree for a local version of Annex III to Chapter V - Transfer Pricing Documentation – Country-By-Country along with an explanatory statement.

[2] See Article 2(3) of Section 13zd of the amended International Cooperation Act.

[3] See Article 2(c) of Section 13zd of the amended International Cooperation Act.

[4] The Czech Republic confirms that Article 2(a) of Section 13zd of the amended legislation would only apply when there is no CbC legislation in place in the other jurisdiction.

[5] The Czech Republic indicates that updated practical CbCR guidance (issued on website of the Czech tax administration in the form of Q&A) is available at www.financnisprava.cz/cs/mezinarodni-spoluprace/mezinarodni-zdanovani-prime-dane/country-by-country-reporting).

[6] See Article 2(a.2) of Section 13zl of the amended International Cooperation Act.

[7] The Czech Republic confirms that Article 2(a.2) of Section 13zl limits the application of local filing under paragraphs 8(c) iv. b) of the terms of reference to only those jurisdictions with which the Czech Republic has an existing international agreement, defined as "contractual states" in Section 1 paragraph 1 of the International Cooperation Act.

[8] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Democratic Republic of the Congo

1. The Democratic Republic of the Congo was first reviewed during the 2017/2018 peer review. This report is supplementary to the Democratic Republic of the Congo's 2017/2018 peer review report (OECD, 2018[1]). There is no filing obligation for a CbC report in the Democratic Republic of the Congo yet.

Summary of key findings

2. The Democratic Republic of the Congo does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.[1] It is recommended that the Democratic Republic of the Congo take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that the Democratic Republic of the Congo take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that the Democratic Republic of the Congo take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that the Democratic Republic of the Congo take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that the Democratic Republic of the Congo will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. The Democratic Republic of the Congo does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. No changes were identified with respect to the effective implementation.

Conclusion

13. There is no change in relation to the domestic legal and administration framework for the Democratic Republic of the Congo since the previous peer review. The recommendation in the 2017/18 peer review, that the Democratic Republic of the Congo take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, remains in place.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, the Democratic Republic of the Congo has no bilateral relationships in place for the exchange of CbC reports. It is recommended that the Democratic Republic of the Congo take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which the Democratic Republic of the Congo has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged from the 2017/2018 review.

(b) Content of information exchanged

15. The Democratic Republic of the Congo does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. The Democratic Republic of the Congo does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

17. The Democratic Republic of the Congo does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

18. The Democratic Republic of the Congo does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange

of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. The Democratic Republic of the Congo does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

20. The Democratic Republic of the Congo has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

21. The Democratic Republic of the Congo has not indicated that it will use the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

22. The recommendation in the 2017/2018 peer review for the Democratic Republic of the Congo to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information remains in place.

23. Further, it is recommended that the Democratic Republic of the Congo take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that the Democratic Republic of the Congo will not be exchanging CbC reports in 2019.

Part C: Appropriate use

24. The Democratic Republic of the Congo does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for the Democratic Republic of the Congo to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place. It is however noted that the Democratic Republic of the Congo will not be exchanging CbC reports in 2019.

Conclusion

25. There is no change to the conclusion in relation to the appropriate use for the Democratic Republic of the Congo since the previous peer review. The recommendation for the Democratic Republic of the Congo to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that the Democratic Republic of the Congo will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that the Democratic Republic of the Congo take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that the Democratic Republic of the Congo take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that the Democratic Republic of the Congo take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that the Democratic Republic of the Congo take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Notes

[1] CbC requirements may first apply for taxable years commencing on or after January 1, 2018 if they are included in the Finance Bill for 2018. The Democratic Republic of the Congo indicates that draft legislation is for the time being subject to internal review.

Denmark

1. Denmark was first reviewed during the 2017/2018 peer review. This report is supplementary to Denmark's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Denmark applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Denmark's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Denmark has primary and secondary laws in place for implementing the BEPS Action 13 minimum standard[1] establishing the necessary requirements, including the filing and reporting obligations. Guidance has also been published.[2] Denmark has provided an update with respect to the processes it has in place to ensure effective implementation.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. Denmark's 2017/2018 peer review included a general monitoring point concerning the fact that there was no specific process that would allow it to take appropriate measures in case Denmark is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Denmark has provided updated information, explaining that, in such a situation, the relevant section of the tax authority will look into the case and take appropriate action. Inaccurate filing can be sanctioned with either a fine (in case of gross negligence) or a prison sentence (in case of

intent) as per the Tax Control Act. In view of this update and specific process, the monitoring point is removed.

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for Denmark since the previous peer review. Denmark meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, Denmark has 68 bilateral relationships in place, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Denmark has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[3] Regarding Denmark's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

11. Denmark has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

12. Peer input was received from one jurisdiction in relation to the content of information exchanged. There are no concerns to be reported in respect of the content of information exchanged.

(c) Completeness of exchanges

13. Denmark has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

14. Peer input was received from one jurisdiction in relation to the completeness of exchanges. There are no concerns to be reported in respect of the completeness of exchanges.

(d) Timeliness of exchanges

15. Denmark has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

16. Peer input was received from one jurisdiction in relation to the timeliness of exchanges. There are no concerns to be reported in respect of the timeliness of exchanges.[4]

(e) Temporary suspension of exchange or termination of QCAA

17. Denmark has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried

out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

18. Peer input was received from one jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. There are no concerns to be reported in respect of the temporary suspension of exchange or termination of QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Denmark has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

20. Peer input was received from one jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. There are no concerns to be reported in respect of consultation with the other Competent Authority before determining systemic failure or significant non-compliance.

(g) Format for information exchange

21. Denmark confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

22. Peer input was received from one jurisdiction in relation to the format for information exchange. There are no concerns to be reported in respect of the format of information exchange

(h) Method for transmission

23. Denmark indicates that it uses the Common Transmission System to exchange CbC reports.[5]

24. Peer input was received from one jurisdiction in relation to the method for transmission. There are no concerns to be reported in respect of the method used for transmission.

Conclusion

25. Denmark has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Denmark meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

26. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

27. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

28. Denmark meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of CbC reporting introduced in Denmark by Law of 29 December 2015 no.1884 Section 1(2); See paragraphs 10 – 16 of Section 3B of the Danish Tax Control Act regarding the obligation to provide CbC information: www.retsinformation.dk/forms/r0710.aspx?id=176725 (available in Danish text). Secondary law consists of Danish statutory order on country-by-country reporting no. 1133 published on 27 August 2016: www.retsinformation.dk/Forms/R0710.aspx?id=182132 (available in Danish text).

[2] Guidance is provided in SKAT's Legal Guidance section C.D.11.13.2 on CbC reporting for multinational corporations www.skat.dk/display.aspx?oid=2232525&vid=214580 (available in Danish text).

[3] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[4] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

[5] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

Djibouti

1. This report is Djibouti's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. There is no filing obligation for a CbC report in Djibouti yet.

Summary of key findings

2. Djibouti does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Djibouti take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

3. It is recommended that Djibouti take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Djibouti has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Djibouti take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Djibouti take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

6. It is however noted that Djibouti will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Djibouti does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

8. Djibouti does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2017 fiscal year.

9. It is recommended that Djibouti take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

10. In respect of paragraph 8 of the terms of reference, Djibouti does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Djibouti. It is recommended that Djibouti take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Djibouti has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Djibouti take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Djibouti has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. It is however noted that Djibouti will not be exchanging CbC reports in 2019.

(b) Content of information exchanged

12. Djibouti does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

13. Djibouti does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

14. Djibouti does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

15. Djibouti does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Djibouti does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

17. Djibouti has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

18. Djibouti has not confirmed its methods for encryption and electronic data transmission.

Conclusion

19. It is recommended that Djibouti take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Djibouti has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

20. Further, it is recommended that Djibouti take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Djibouti will not be exchanging CbC reports in 2019.

Part C: Appropriate use

21. Djibouti does not yet have measures in place relating to appropriate use. It is recommended that Djibouti to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

22. It is recommended that Djibouti take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information. It is however noted that Djibouti will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Djibouti take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Djibouti take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Djibouti has an international exchange of information agreement in effect that allows for the automatic exchange of tax information
Part B	Exchange of information framework	It is recommended that Djibouti take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Djibouti take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Egypt

1. Egypt was first reviewed during the 2017/2018 peer review. This report is supplementary to Egypt's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Egypt applies to reporting fiscal years ending on or after the 31 December 2018.

Summary of key findings

2. Egypt's legal and administrative framework to implement Action 13 meets all applicable terms of reference (OECD, 2017[2]), except for the following:

- It is recommended that Egypt take steps to ensure that its definition of Group of Associated Enterprises is in line with the required definition of Group.
- It is recommended that Egypt take steps to ensure that its definition of Egyptian Parented GAE is in line with the required definition of Ultimate Parent Entity and Multinational Enterprise Group.
- It is recommended that Egypt take steps to ensure that its definition of multinational group is in line with the required definition of Multinational Enterprise Group.
- It is recommended that Egypt take steps to ensure that enforcement provisions and monitoring relating to the enforcement of CbCR filing obligations are implemented.

3. It is recommended that Egypt take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Egypt has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Egypt take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Egypt take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Egypt will not be exchanging CbC reports in 2019.

7. The recommendation in the 2017/18 peer review, that Egypt finalise its domestic legal and administrative framework in relation to CbC requirements as soon as possible, is removed.

Part A: The domestic legal and administrative framework

8. Egypt has Transfer Pricing Guidelines[1] issued by Ministerial Decree[2] in place to implement the BEPS Action 13 minimum standard, establishing filing and reporting obligations.

(a) Parent entity filing obligation

9. Egypt has Transfer Pricing Guidelines issued by ministerial decree which give them the force of law. These guidelines and accompanying manual of guidance[3] impose and detail a CbC filing obligation on Ultimate Parent Entities of MNE Groups which have a consolidated group revenue above a certain threshold.

10. Egypt's Transfer Pricing Guidelines include a definition of Group of Associated Enterprises (GAE), incorporating a definition of Associated enterprise, which includes natural persons. This is not the same as the definition of a group used in the Action 13 minimum standard which determines the members of a group by their inclusion in consolidated financial statements and therefore excludes natural persons. There is a note in the same definition that the meaning of GAE is similar to that of group in the OECD TP Guidelines, as the definition is not the same then this does not work to redefine GAE or to introduce a different definition of group. The practical manual does say that GAE means the same as MNE group but this contradicts the guidelines and cannot override them as it does not have legislative force. It is recommended that Egypt take steps to ensure that its definition of Group of Associated Enterprises is in line with the required definition of Group.

11. Egypt's Transfer Pricing Guidelines include a definition of parent entity which includes the requirement to prepare Consolidated Financial Statements (CFS) under a domestic accounting standard. The Action 13 definitions goes further and includes a parent entity that would be required to prepare CFS if its equity interests were traded on a public securities exchange in its jurisdiction of tax residence. The broader definition is specifically intended to include a wider range of parent entities than just those actually required to produce CFS. It is recommended that Egypt take steps to ensure that its definition of parent entity is in line with the required definition of Ultimate Parent Entity.

12. Egypt's Transfer Pricing Guidelines refer to the filing requirement and specifically the threshold for filing and where a group meets that requirement say "In such a case, a CbCR will be required only if the Egyptian Parented GAE has a foreign subsidiary/subsidiaries". This sentence is intended to restrict the filing requirement to multinational groups. The Action 13 standard definition of MNE group which performs this function includes a group which has enterprises resident in one jurisdiction and subject to tax on the business carried out by a permanent establishment in another jurisdiction. By restricting, the filing only to those groups of enterprises which have subsidiaries overseas this is a narrower obligation than the standard requires. The practical manual explains that the CbCR requirement extends to permanent establishments but this contradicts the guidelines and cannot override them as the manual does not have the force of law. It is recommended that Egypt take steps to ensure that its definition of multinational group is in line with the required definition of Multinational Enterprise Group.

b) Scope and timing of parent entity filing

13. The first filing obligation for a CbC report in Egypt commences in respect of fiscal years ending on or after 31 December 2018. The CbC report must be filed within 12 months of the last day of the fiscal year of the MNE Group.

14. No inconsistencies were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

15. Egypt does not have a local filing requirement.

(d) Limitation on local filing in case of surrogate filing

16. Egypt does not have a local filing requirement.

(e) Effective implementation

17. Egypt does not have a legal mechanisms in place to enforce compliance with the minimum standard: the Transfer Pricing Guidelines refer to failure to submit documentation resulting in a higher risk rating and a commensurately greater chance of selection for audit but no direct penalties. It is recommended that Egypt take steps to ensure that enforcement provisions and monitoring relating to the enforcement of CbCR filing obligations are implemented.

18. Egypt does not have a process to take appropriate measures in case it is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. As no exchange of CbC reports has yet occurred no recommendation is made but this aspect will be further monitored.

Conclusion

19. The recommendation in the 2017/18 peer review, that Egypt finalise its domestic legal and administrative framework in relation to CbC requirements as soon as possible, is removed.

20. Egypt's domestic legal framework meets all applicable terms of reference, except for the following:

- It is recommended that Egypt take steps to ensure that its definition of group is in line with the required definition of Group.
- It is recommended that Egypt take steps to ensure that its definition of parent entity is in line with the required definition of Ultimate Parent Entity.
- It is recommended that Egypt take steps to ensure that its definition of multinational group is in line with the required definition of Multinational Enterprise Group.
- It is recommended that Egypt take steps to ensure that enforcement provisions and monitoring relating to the enforcement of CbCR filing obligations are implemented.

Part B: The exchange of information framework

(a) Exchange of information framework

21. As of 31 May 2019, Egypt has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Egypt take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Egypt has an

international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

22. Egypt does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

23. Egypt does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

24. Egypt does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

25. Egypt does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

26. Egypt does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

27. Egypt has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

28. Egypt has not confirmed its methods for encryption and electronic data transmission.

Conclusion

29. The recommendation in the 2017/2018 peer review for Egypt to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Egypt has an international exchange of information agreement in effect that allows for the automatic exchange of tax information remains in place.

30. Further, it is recommended that Egypt take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Egypt will not be exchanging CbC reports in 2019.

Part C: Appropriate use

31. Egypt does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Egypt to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place. It is however noted that Egypt will not be exchanging CbC reports in 2019.

32. No information or peer input was received for the reviewed jurisdiction in respect of appropriate use.

Conclusion

33. There is no change to the conclusion in relation to the appropriate use for Egypt since the previous peer review. The recommendation for Egypt to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remain in place.

34. It is however noted that Egypt will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Egypt finalise its domestic legal and administrative framework in relation to CbC requirements as soon as possible. Specifically it is recommended that: • Egypt take steps to ensure that its definition of Group of Associated Enterprises is in line with the required definition of Group. • Egypt take steps to ensure that its definition of Egyptian Parented GAE is in line with the required definition of Ultimate Parent Entity and Multinational Enterprise Group. • Egypt take steps to ensure that its definition of multinational group is in line with the required definition of Multinational Enterprise Group. • Egypt take steps to ensure that enforcement provisions and monitoring relating to the enforcement of CbCR filing obligations are implemented.
Part B	Exchange of information framework	It is recommended that Egypt take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Egypt has an international exchange of information agreement in effect that allows for the automatic exchange of tax information
Part B	Exchange of information framework	It is recommended that Egypt take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Egypt take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Notes

[1] www.mof.gov.eg/MOFGallerySource/English/PDF/Egyptian-Transfer-Pricing-EN-Guidelines-2018.pdf.

[2] www.incometax.gov.eg/pdf/karar-221-2018.pdf.

[3] www.incometax.gov.eg/TransferPricing1.asp.

Estonia

1. Estonia was first reviewed during the 2017/2018 peer review. This report is supplementary to Estonia's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Estonia applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Estonia's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Estonia has primary and secondary laws in place for implementing the BEPS Action 13 minimum standard[1] establishing the necessary requirements, including the filing and reporting obligations. Guidance has also been published.[2]

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.[3]

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. No changes were identified with respect to the effective implementation.[4]

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for Estonia since the previous peer review. Estonia meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, Estonia has 67 bilateral relationships in place, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Estonia has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. Regarding Estonia's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

11. Estonia has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

12. Estonia has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

13. Estonia has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

14. Despite these processes, Estonia reports that a number of CbC reports were exchanged late.[5] However, Estonia also indicates that it has taken steps in order to ensure that any future exchanges of CbC reports be carried out in accordance with the timelines provided for in the relevant QCAAs and terms of reference and therefore no recommendation is made.

(e) Temporary suspension of exchange or termination of QCAA

15. Estonia has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Estonia has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

17. Estonia confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

18. Estonia indicates that it uses the Common Transmission System to exchange CbC reports.[6]

Conclusion

19. Estonia has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Estonia meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

20. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

21. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

22. Estonia meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary legislation for Country-by-Country Reporting consists of the Tax Information Exchange Act that implements the BEPS Action 13 minimum standard and the Council Directive (EU) 2016/881 of 25 May 2016 (the "DAC4"). Secondary legislation consists of the regulations to the Tax Information Exchange Act.

[2] Guidance was published as Annex 15 of the secondary legislation on 18 December 2017. Guidance includes the instructions relating to the format of a country-by country report and the procedure for submission. See www.riigiteataja.ee/tolkelisa/5230/1201/8002/Annex15.pdf#.

[3] Estonia's 2017/2018 peer review included a monitoring point relating to the threshold calculation rule which would be applied in a manner consistent with the OECD guidance on currency fluctuations (paragraph 8 (a) ii. of the terms of reference). This monitoring point remains in place.

[4] Estonia's 2017/2018 peer review included a general monitoring point relating to a specific process to that would allow to take appropriate measures in case Estonia is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This monitoring point remains in place.

[5] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

[6] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

Finland

1. Finland was first reviewed during the 2017/2018 peer review. This report is supplementary to Finland's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Finland applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Finland's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Finland has primary and secondary laws in place for implementing the BEPS Action 13 minimum standard[1] (the "CbC Act") establishing the necessary requirements, including the filing and reporting obligations. Guidance has also been published.[2] Finland has provided an update with respect to the processes it has in place to ensure effective implementation.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. Finland's 2017/2018 peer review included a general monitoring point concerning the fact that was no specific process that would allow it to take appropriate measures in case Finland is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Finland has provided updated information, explaining that, in such a situation, the Large Taxpayers' Office in Finland Tax Administration will be in charge of sending the notification to the Reporting Entity. In addition, Finland has a penalty regime in place that would impose a penalty on the Reporting Entity in case of late filing or for filing information with substantial

deficiencies or inaccuracies. In view of this update and specific process, the monitoring point is removed.

9. No other changes were identified with respect to the effective implementation.

Conclusion

10. There is no change to the conclusion in relation to the domestic legal and administration framework for Finland since the previous peer review. Finland meets all the terms of reference (OECD, 2017[2]) relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Finland has 62 bilateral relationships in place for the exchange of CbC reports, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Finland has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[3] Regarding Finland's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. Finland has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

13. Finland has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

14. Finland has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

15. Despite these procedures, Finland indicates that a number of CbC reports were exchanged late. These late exchanges were due to an automated system error which has since been corrected, therefore no recommendation is required.

(e) Temporary suspension of exchange or termination of QCAA

16. Finland has written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those procedures.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

17. Finland has written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those procedures.

(g) Format for information exchange

18. Finland confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

19. Finland indicates that it uses the Common Transmission System to exchange CbC reports.[4]

Conclusion

20. Finland has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Finland meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

21. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

22. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

23. Finland meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of the Country-by-Country report for taxation included in Sections 14(d), 14(e) and 32(5) of the Act on Tax Assessment Procedure (1558/1995), as amended in Act 1489/2016: www.finlex.fi/fi/laki/ajantasa/1995/19951558#L4P32 and the Act implementing the EU Council Directive 2016/881/EU as regards mandatory automatic exchange of information in the field of taxation (DAC4). Secondary law consists of a Decision (Number A260/200/2016) by the Finnish Tax Administration regarding the obligation to provide CbC information: www.vero.fi/fi-FI/Syventavat_veroohjeet/Verohallinnon_paatokset/Verohallinnon_paatos_verotuksen_maakohta.

[2] See guidance on the Finnish Tax Administration website at https://www.vero.fi/en/businesses-and-corporations/about-corporate-taxes/transfer_pricing/countrybycountry_report_and_notificatio/. See the more specific online guidance of the Finnish Tax Administration regarding CbC at www.vero.fi/syventavat-vero-ohjeet/ohje-hakusivu/49771/verotuksen-maakohtainen-raportti/. See guidance concerning XML (under the heading "Technical guidance") at www.vero.fi/en/About-us/it_developer/data-format-specifications/specifications__direct_data_transfers_a/.

[3] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[4] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

France

1. France was first reviewed during the 2017/2018 peer review. This report is supplementary to France's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in France commences in respect of fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. France's implementation of the Action 13 minimum standard meets all applicable terms of reference, except for the following:

- It is recommended that France introduce a provision which would have an equivalent effect as the "deemed listing provision", i.e. ensuring that all entities that are not legally required to prepare Consolidated Financial Statements (whether under commercial / company law, or under regulations governing the relevant stock exchange / market, or other) be included in the scope of the parent entity filing obligation.
- It is recommended that France ensure that local filing only occurs in the circumstances contained in the terms of reference (OECD, 2017[2]).

3. France's 2017/2018 peer review included a recommendation that France take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. France now has measures in place to ensure the appropriate use of information in all six areas identified in the OECD *Guidance on the Appropriate Use of Information contained in CbC Reports* (OECD, 2017[4]).The recommendation with respect to appropriate use issued in the 2017/2018 peer review is removed.

Part A: The domestic legal and administrative framework

4. France has rules (primary and secondary laws) that impose and enforce CbC requirements on MNE Groups whose Ultimate Parent Entity is resident for tax purposes in France.

(a) Parent entity filing obligation

5. No changes were identified with respect to the parent entity filing obligation. The recommendation in the 2017/2018 peer review for France to complete the definition of an "Ultimate Parent Entity" in a manner consistent with the terms of reference, by introducing a provision which would have an equivalent effect as the "deemed listing provision" remains in place. France's 2017/2018 peer review also included three monitoring point on the parent entity filing obligation.

6. France's 2017/2018 peer review included a monitoring point with respect to the absence of a provision stating that the Ultimate Parent Entity shall not be held by another Constituent Entity that owns directly or indirectly sufficient interest to be considered as an Ultimate Parent Entity. The provision in the French law could trigger an instance of local

filing for French entities when there is no requirement to file CbC report on an entity located in another jurisdiction, which would be considered as their Ultimate Parent Entity as per the terms of reference. France confirms that this has been clarified in its internal procedures, so where the primary filing requirement would operate in the same circumstance as a local filing requirement, (i) it is allowed that only one entity is required to file one CbC report which would satisfy the obligation of all reporting entities and (ii) this filing obligation operates as if the CbC report is made available through a Surrogate Parent Entity. France also notes that further the first filing period, no filing entities have provided for CbC reports in duplicity. The monitoring point is therefore removed.

7. France's 2017/2018 peer review included a monitoring point with respect to the absence in the definition of the Constituent Entities to the mention that a permanent establishment should be separately disclosed as a Constituent Entity in a CbC Report if a separate financial statement for the permanent establishment for financial reporting, regulatory, tax reporting or internal management control purposes is prepared. France indicates that this is how a CbC report should be prepared and included in updated form 2258SD a clarification in this point, by amending the definition Constituent Entity, including a mention that PEs must be distinguished as a Constituent Entity in the CbC Report, if a separate financial statement for financial reporting, regulatory, tax reporting or internal management control purposes is prepared by them. The monitoring point is therefore removed.

8. France's 2017/2018 peer review included a monitoring point with respect to the application of the guidance on currency fluctuations for MNE Groups whose UPE is located in another jurisdiction, (OECD, 2018[5]) if local filing requirements were applied in respect of a Constituent Entity (which is tax resident in France) of an MNE Group which does not reach the threshold as determined in the jurisdiction of the Ultimate Parent Entity of such Group. France confirms that it will apply this guidance and included in updated form 2258SD a clarification that the agreed threshold for a declarative obligation is EUR 750 million or the near equivalent amount in domestic currency as of January 2015. The monitoring point is therefore removed.

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation. The recommendation in the 2017/2018 peer review for France to ensure that local filing only occurs in the circumstances permitted under the minimum standard and to prevent local filing in the absence on an international agreement remains in place. France's 2017/2018 peer review also included a monitoring point on the limitation on local filing obligation that remains in place.[1]

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. France's 2017/2018 peer review included a monitoring point relating to the absence of processes in place that would allow France to take appropriate measures in case it is

notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. France indicates that in the event of an anomaly or a filing error, the company will be requested by the tax authorities to file an amending declaration and these corrected CbC reports will be further exchanged with the relevant jurisdictions. In light of the update provided by France, the recommendation on the effective implementation is removed.

Conclusion

13. France's implementation of the Action 13 minimum standard meets all applicable terms of reference, except for the following:

- It is recommended that France introduce a provision which would have an equivalent effect as the "deemed listing provision", i.e. ensuring that all entities that are not legally required to prepare Consolidated Financial Statements (whether under commercial / company law, or under regulations governing the relevant stock exchange / market, or other) be included in the scope of the parent entity filing obligation.
- It is recommended that France ensure that local filing only occurs in the circumstances contained in the terms of reference.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, France has 67 bilateral relationships, including those activated under the CbC MCAA and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, France has taken steps to have Qualifying Competent Authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. Regarding France's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

15. France has processes and written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes and written procedures.

(c) Completeness of exchanges

16. France has processes and written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes and written procedures.

(d) Timeliness of exchanges

17. France has processes and written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes and written procedures.

(e) Temporary suspension of exchange or termination of QCAA

18. France has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. France has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

20. France confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[6]) for the international exchange of CbC reports.

(h) Method for transmission

21. France indicates that it uses the Common Transmission System to exchange CbC reports.[2]

Conclusion

22. France has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. France meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

23. The 2017/2018 peer review included a recommendation that France take steps to ensure that the appropriate use condition (OECD, 2017[4]) is met ahead of the first exchanges of information. Since the 2017/2018 peer review, France has provided details in relation to these measures, enabling it to answer "yes" to the additional questions on appropriate use. In light of the update provided by France the recommendation on appropriate use is removed. There are no concerns to be reported for France in respect of the appropriate use condition.

Conclusion

24. France meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework – definition of an Ultimate Parent Entity	It is recommended that France introduce a provision which would have an equivalent effect as the "deemed listing provision", i.e. ensuring that all entities that are not legally required to prepare Consolidated Financial Statements (whether under commercial / company law, or under regulations governing the relevant stock exchange / market, or other) be included in the scope of the parent entity filing obligation.
Part A	Domestic legal and administrative framework – limitation on local filing obligation	It is recommended that France ensure that local filing only occurs in the circumstances contained in the terms of reference.
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] France's 2017/2018 peer review included a monitoring point with respect to the limitation of local filing to the instances of "Systemic Failure" as defined in paragraph 21 of the terms of reference. France confirms that its legislation implies that the obligations under the CbC MCAA are complied with (in particular the obligation for a prior consultation between Competent Authorities under Section 6 of the CbC MCAA) and will only apply local filing if there is a "Systemic Failure". This monitoring point remains in place.

[2] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

Gabon

1. Gabon was first reviewed during the 2017/2018 peer review. This report is supplementary to Gabon's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for CbC reporting in Gabon commences in respect of periods commencing on or after 1 January 2017.

Summary of key findings

2. Gabon's domestic and administrative framework meets all applicable terms of reference (OECD, 2017[2]), except it is recommended that Gabon finalise its requirements particularly in the areas of

- complete or introduce the definitions of "Constituent Entity", "Group" and "MNE Group" which appear to be incomplete or missing, and
- the requirements on the content of a CbC report.

This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Gabon take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Gabon has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Gabon take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

5. It is recommended that Gabon take steps to ensure that the appropriate use condition is met ahead of the first exchanges of CbC reports. This recommendation remain unchanged since the 2017/2018 peer review.

6. The 2017/2018 peer review included a recommendation to introduce or to complete the definitions of "Ultimate Parent Entity". Gabon has now introduced this definition in accordance with the terms of reference.[1] In light of the update provided by Gabon, this recommendation on the parent filing obligation is now removed.

7. The 2017/2018 peer review included a recommendation to Gabon to complete or otherwise clarify the scope of enforcement measures. Gabon has now amended the penalties in accordance with the terms of reference.[2] In light of the update provided by Gabon, this recommendation on the effective implementation is now removed.

Part A: The domestic legal and administrative framework

8. Gabon has primary law[3] in place to implement the BEPS Action 13 minimum standard that impose and enforce CbC requirements on MNE Groups whose Ultimate Parent Entity is resident for tax purposes in Gabon. Gabon's 2017/2018 peer review included a recommendation that Gabon finalise its domestic legal and administrative framework in relation to CbC requirements as soon as possible. Gabon is working to implement secondary legislation.

(a) Parent entity filing obligation

9. The 2017/2018 peer review included a recommendation to Gabon to complete the definition of "Ultimate Parent Entity" in a manner consistent with the terms of reference. Gabon has now amended this definition in accordance with the terms of reference, by adding a reference to the "deemed listing provision".[4] In light of the update provided by Gabon, the recommendation on the parent filing obligation is removed.

10. No other changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

11. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

12. The 2017/2018 peer review included a monitoring point to ensure that the concept of "Systematic Failure" would apply in a manner consistent with the terms of reference. Gabon has now amended the local filing provisions and the text is consistent with paragraph 8(c) iv. c) of the terms of reference. This monitoring point is therefore removed.[5]

(d) Limitation on local filing in case of surrogate filing

13. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

14. The 2017/2018 peer review noted that it was unclear whether the penalties would apply in cases of non-filing, incorrect filing or incomplete filing of a CbC report. Gabon has now updated the provision to state that the penalty applies to cases of (i) non-filing, and (ii) incomplete filing, as well as it has increased the penalty amount.[6] In light of the update provided by Gabon the recommendation on the effective implementation is now removed.

15. No other changes were identified with respect to the effective implementation.

Conclusion

16. Gabon meets all the terms of reference relating to the domestic legal and administrative framework, with the exception of (i) the definitions of "Constituent Entities", "Group" and "MNE Group" (paragraphs 8(a) and 18 and 15 of the terms of reference); and (ii) the information to be reported in the CbC report (paragraph 8(b) ii. and iv. of the terms of reference). It is recommended that Gabon finalise its requirements. This recommendation remains unchanged since the 2017/2018 peer review.

Part B: The exchange of information framework

(a) Exchange of information framework

17. As of 31 May 2019, Gabon has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Gabon take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Gabon has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

18. Gabon does not have processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged.

(c) Completeness of exchanges

19. Gabon does not have processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

20. Gabon does not have processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

21. Gabon does not have processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

22. Gabon does not have processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

23. Gabon has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

24. Gabon has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

25. The recommendation in the 2017/2018 peer review for Gabon to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Gabon has

an international exchange of information agreement in effect that allows for the automatic exchange of tax information, remains in place.

26. Further, it is recommended that Gabon take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.

27. It is however noted that Gabon will not be exchanging CbC reports in 2019.

Part C: Appropriate use

28. Gabon does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Gabon to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place. It is however noted that Gabon will not be exchanging CbC reports in 2019.

Conclusion

29. There is no change to the conclusion in relation to the appropriate use for Gabon since the previous peer review. The recommendation for Gabon to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that Gabon will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Gabon finalise its domestic legal and administrative framework as soon as possible. Specifically, it is recommended that Gabon: - introduce or complete the definitions of an "MNE Group", "Group" and "Constituent Entity" in a manner consistent with the terms of reference; - publish the administrative circular as soon as possible, prescribing all of, and only, the information as contained in the template in the Action 13 Report.
Part B	Exchange of information framework	It is recommended that Gabon take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Gabon has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Gabon take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Gabon take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Notes

[1] See updated article 831 ter (PLFR 2019).

[2] See updated article 831 ter (PLFR 2019).

[3] Article 831 ter nouveau of the Tax Code.

[4] See Article 831 ter nouveau of the Tax Code.

[5] Gabon has suspended the filing obligation in cases subject to local filing, pursuant to DGI resolution No. 0006/MEPPDPIPP.

[6] See Article P 1010 bis nouveau of the Tax Procedures Code: Failure to comply with the documentary requirements of the CbC reports subjects the company concerned to a penalty equal to 5% of consolidated turnover (excluding tax), at a minimum amount of 65 000 000 FCFA per fiscal year.

Georgia

1. Georgia was first reviewed during the 2017/2018 peer review. This report is supplementary to Georgia's 2017/2018 peer review report (OECD, 2018[1]). There is no filing obligation for a CbC report in Georgia yet.

Summary of key findings

2. Georgia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Georgia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Georgia take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Georgia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Georgia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Georgia will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Georgia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. Georgia indicates that it is in the final stages of amending its Tax Code to provide the legal basis for CbC reporting and estimates that the amendments will come into effect during the year 2019.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. No changes were identified with respect to the effective implementation.

Conclusion

13. There is no change in relation to the domestic legal and administration framework for Georgia since the previous peer review. The recommendation in the 2017/18 peer review, that Georgia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, remains in place.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, Georgia has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Georgia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Georgia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

15. Georgia does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. Georgia does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

17. Georgia does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

18. Georgia does not yet have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Georgia does not yet have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

20. Georgia has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

21. Georgia has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

22. The recommendation in the 2017/2018 peer review for Georgia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Georgia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information remains in place.

23. It is recommended that Georgia take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

24. However, it is noted that Georgia will not be exchanging CbC reports in 2019.

Part C: Appropriate use

25. Georgia does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Georgia to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place. It is however noted that Georgia will not be exchanging CbC reports in 2019.

26. No information or peer input was received for the reviewed jurisdiction in respect of appropriate use.

Conclusion

27. There is no change to the conclusion in relation to the appropriate use for Georgia since the previous peer review. The recommendation for Georgia to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that Georgia will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Georgia take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Georgia take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Georgia take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Georgia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Germany

1. Germany was first reviewed during the 2017/2018 peer review. This report is supplementary to Germany's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Germany applies in respect of reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Germany's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

3. Germany's 2017/2018 peer review included a recommendation for Germany to ensure that local filing only occurs in the circumstances contained in the terms of reference. Germany has issued internal guidance on this issue and will publish guidance and amended legislation in due course. This recommendation is removed.

Part A: The domestic legal and administrative framework

4. Germany has primary and secondary laws in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.

(a) Parent entity filing obligation

5. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

6. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

7. Germany's 2017/2018 peer review included a recommendation that Germany ensure that local filing only occurs in the circumstances contained in the terms of reference. Since that review Germany has issued guidance on the application of its local filing requirement internally to ensure that local filing only occurs in circumstances allowed by the terms of reference. This guidance is to be published externally and Germany also intends to change its legislation as soon as possible. The recommendation is removed and the situation will be monitored.

(d) Limitation on local filing in case of surrogate filing

8. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

9. No changes were identified with respect to the effective implementation.

Conclusion

10. There is no change to the conclusion in relation to the domestic legal and administration framework for Germany since the previous peer review. Germany meets all the terms of reference relating to the domestic legal and administrative framework, with the exception of the conditions for local filing (paragraph 8(c) iv. b) of the terms of reference).

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Germany has 67 bilateral relationships in place for the exchange of CbC reports, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of tax information, Germany has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that currently meet the confidentiality, consistency and appropriate use conditions. Regarding Germany's exchange of information framework, no inconsistencies with the terms of reference were identified.[1]

(b) Content of information exchanged

12. Germany has procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these procedures.

(c) Completeness of exchanges

13. Germany has procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these procedures.

(d) Timeliness of exchanges

14. Germany has procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these procedures.

15. Despite these procedures, Germany indicates that a number of CbC reports were exchanged late: Germany reports that these exchanges were late due to initial technical difficulties which have now been resolved therefore no recommendation is required.

(e) Temporary suspension of exchange or termination of QCAA

16. Germany has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

17. Germany has written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those procedures.

(g) Format for information exchange

18. Germany confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

19. Germany indicates that it uses the Common Transmission System to exchange CbC reports.[2]

Conclusion

20. Germany has in place the necessary processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

Part C: Appropriate use

21. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

22. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use.

Conclusion

23. Germany meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework – limitation on local filing obligation	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[2] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

Greece

1. Greece was first reviewed during the 2017/2018 peer review. This report is supplementary to Greece's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Greece applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Greece's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Greece has primary and secondary laws in place for implementing the BEPS Action 13 minimum standard[1] establishing the necessary requirements, including the filing and reporting obligations. Guidance has also been published.[2]

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. No changes were identified with respect to the effective implementation.[3]

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for Greece since the previous peer review. Greece meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, Greece has 67 bilateral relationships in place, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Greece has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[4] Regarding Greece's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

11. Greece has written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

12. Greece has written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

13. Greece has written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

(e) Temporary suspension of exchange or termination of QCAA

14. Greece has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

15. Greece has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

16. Greece confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

17. Greece indicates that it uses the Common Transmission System to exchange CbC reports.[5]

Conclusion

18. Greece has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Greece meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

19. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

20. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

21. Greece meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of CbC reporting introduced in Greece by Law No 4490/2017, which was made public in the official gazette No A 150/11.10.2017. See Articles 1-8 and 15 in relation to CbC implementation. Secondary law in the form of the Independent Authority for Public Revenue Governor's Decision (POL 1184/2017) was published in the official gazette No B 4225/01.12.2017 and explains the procedure of implementation of submission and exchange of CbC reports in accordance with the provisions of primary law.

Secondary law in the form of the Independent Authority for Public Revenue Governor's Decision (POL 1111/2018) was published in the Official Gazette No B 2265/15.06.2018 and explains the procedure of activated exchange relationships with other jurisdictions.

[2] Guidance that includes general information and Frequently Asked Questions (FAQs) is uploaded on the site of the Independent Authority for Public Review. The text is available in Greek and in English and can be accessed: www.aade.gr/epicheireseis/themata-diethnoys-dioiketikes-synergasias/country-country-reportingcbcdac4.

[3] Greece's 2017/2018 peer review included a general monitoring point relating to a specific process to that would allow to take appropriate measures in case Greece is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This monitoring point remains in place.

[4] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Note by Turkey

The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus. Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

Note by all the European Union Member States of the OECD and the European Union

The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

[5] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

Guernsey

1. Guernsey was first reviewed during the 2017/2018 peer review. This report is supplementary to Guernsey's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Guernsey applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Guernsey's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Guernsey has primary and secondary laws in place for implementing the BEPS Action 13 minimum standard[1] establishing the necessary requirements, including the filing and reporting obligations. Guidance has also been published.[2]

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. No changes were identified with respect to the effective implementation.[3]

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for Guernsey since the previous peer review. Guernsey meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, Guernsey has 62 bilateral relationships in place, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of

information, Guernsey has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[4] Regarding Guernsey's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

11. Guernsey has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

12. Peer input was received from one jurisdiction in relation to the content of information exchanged. No concerns were reported in respect of the content of information exchanged.

(c) Completeness of exchanges

13. Guernsey has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

14. Peer input was received from one jurisdiction in relation to the completeness of exchanges. No concerns were reported in respect of the completeness of exchanges.

(d) Timeliness of exchanges

15. Guernsey has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

16. Despite these processes, Guernsey reports that a number of reports were exchanged late.[5] However, Guernsey also indicates that it has taken steps in order to ensure that any future exchanges of CbC reports be carried out in accordance with the timelines provided for in the relevant QCAAs and terms of reference and therefore no recommendation is made.

17. Peer input was received from one jurisdiction in relation to the timeliness of exchanges. No concerns were reported.

(e) Temporary suspension of exchange or termination of QCAA

18. Guernsey has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

19. Peer input was received from one jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. No concerns were reported in respect of the temporary suspension of exchange or termination of QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

20. Guernsey has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA

or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

21. Peer input was received from one jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. No concerns were reported in respect of consultation with the other Competent Authority before determining systemic failure or significant non-compliance.

(g) Format for information exchange

22. Guernsey confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

23. Peer input was received from one jurisdiction in relation to the format for information exchange. No concerns were reported in respect of the format of information exchange.

(h) Method for transmission

24. Guernsey indicates that it uses the Common Transmission System to exchange CbC reports.

25. Peer input was received from one jurisdiction in relation to the method for transmission. No concerns were reported in respect of the method used for transmission.

Conclusion

26. Guernsey has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Guernsey meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

27. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

28. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

29. Guernsey meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary legislation consists of the Income Tax (Guernsey) Law, 1975 and secondary legislation ("The CbCR Regulations") is made under sections 75CC and 203A of the Income Tax (Guernsey) Law.

[2] Guidance notes with respect to CbC Regulations are available at www.gov.gg/CHttpHandler.ashx?id=108888&p=0. The Director has also issued two bulletins providing further information on CbCR: 1) Bulletin 2017/8: CbCR update regarding manner and timing of CbC reports (available at www.gov.gg/CHttpHandler.ashx?id=111035&p=0) and 2) Bulletin 2017/12: Further CbCR update regarding manner and timing of CbC reports is available at www.gov.gg/CHttpHandler.ashx?id=111329&p=0.

[3] Guernsey's 2017/2018 peer review included a general monitoring point relating to a specific process to that would allow to take appropriate measures in case Guernsey is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This monitoring point remains in place.

[4] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[5] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

Haiti

1. Haiti was first reviewed during the 2017/2018 peer review. This report is supplementary to Haiti's 2017/2018 peer review report (OECD, 2018[1]). There is no filing obligation for a CbC report in Haiti yet.

Summary of key findings

2. Haiti does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. [1] It is recommended that Haiti take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Haiti take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

4. It is recommended that Haiti take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

5. It is however noted that Haiti has no international exchange agreements and will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

6. Haiti does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

Conclusion

7. There is no change in relation to the domestic legal and administration framework for Haiti since the previous peer review. The recommendation in the 2017/18 peer review, that Haiti take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, remains in place.

Part B: The exchange of information framework

(a) Exchange of information framework

8. As of 31 May 2019, Haiti has no bilateral relationships in place for the exchange of CbC reports. However, it is noted that Haiti does not currently have any international exchange of information agreements in effect that allow for the automatic exchange of tax information. Within the context of Haiti's exchange of information framework, no inconsistencies with the terms of reference were identified. As such, no recommendation is made, but Haiti is encouraged to expand the coverage of its international agreements for the exchange of tax information.

(b) Content of information exchanged

9. Haiti does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

10. Haiti does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

11. Haiti does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

12. Haiti does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

13. Haiti does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

14. Haiti has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

15. Haiti has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC report.

Conclusion

16. The recommendation in the 2017/2018 peer review for Haiti to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an

international exchange of information agreement in effect that allows for the automatic exchange of tax information remains in place.

17. Further, it is recommended that Haiti take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Haiti has no international exchange agreements and will not be exchanging CbC reports in 2019.

Part C: Appropriate use

18. Haiti does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Haiti to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

19. There is no change to the conclusion in relation to the appropriate use for Haiti since the previous peer review. The recommendation for Haiti to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that Haiti will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Haiti take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Haiti take steps to sign the CbC MCAA and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Haiti take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Haiti take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Notes

[1] CbC requirements may first apply for taxable years commencing on or after January 1, 2019 if they are included in the Finance Bill for 2019. According to the latest information provided, the draft legislation was submitted to the parliamentary budgetary session.

Hong Kong (China)

1. Hong Kong was first reviewed during the 2017/2018 peer review. This report is supplementary to Hong Kong's 2017/2018 peer review report (OECD, 2018[1]) Since the last peer review, Hong Kong has introduced primary legislation in order to implement CbC Reporting requirements. The filing obligation for a CbC report in Hong Kong applies to reporting fiscal years commencing on or after 1 January 2018. Hong Kong also allows Hong Kong's MNE groups to file a CbC report on a voluntary basis, for reporting fiscal years beginning between 1 January 2016 and 31 December 2017.

Summary of key findings

2. Hong Kong's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

3. Hong Kong's 2017/2018 peer review included a recommendation that Hong Kong take steps to enable exchanges of CbC reports under existing international agreements. With respect to reporting periods beginning in 2017 and 2018, Hong Kong has proactively engaged its DTA partners in establishing bilateral relationships for the exchange of CbC reports and concluded twelve bilateral CAAs as of 31 March 2019. As the process is still going on, the recommendation remains in place for these periods. With respect to reporting periods beginning on or after 1 January 2019, Hong Kong has taken steps to ensure bilateral relationships for the exchange of CbC reports under the CbC MCAA are in place and so, for these periods, the recommendation no longer applies.

4. Hong Kong's 2017/2018 peer review included a recommendation that Hong Kong finalise its domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible. Hong Kong now has the primary law in place to impose and enforce CbC requirements. As such, the recommendation with respect to domestic legal and administrative framework issued in the 2017/2018 peer review is removed.

Part A: The domestic legal and administrative framework

5. Hong Kong has primary law in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations.[1] Guidance has also been published.[2]

(a) Parent entity filing obligation

6. Hong Kong has primary law which imposes a CbC filing obligation on Ultimate Parent Entities of MNE Groups which have a consolidated group revenue above a certain threshold, whereby all required Constituent Entities of the MNE Group are included in the CbC report and no entity is excluded from CbC Reporting other than permitted by the Action 13 report (OECD, 2015).[3]

7. No inconsistencies were identified with respect to Hong Kong's domestic legal framework in relation with the parent entity filing obligation.[4]

(b) Scope and timing of parent entity filing

8. The first filing obligation for a CbC report in Hong Kong commences in respect of fiscal years beginning on 1 January 2018 or later[5] with a "parent surrogate filing" mechanism which allows the Ultimate Parent Entities of MNE Groups resident in Hong Kong to voluntarily file CbC reports for fiscal years beginning between 1 January 2016 and 31 December 2017.[6] The CbC report must be filed within 12 months of the last day of the fiscal year of the MNE Group.[7]

9. No inconsistencies were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. Hong Kong has introduced local filing requirements in respect of fiscal years beginning on or after 1 January 2018.[8]

11. No inconsistencies were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

12. Hong Kong's local filing requirements will not apply if there is surrogate filing in another jurisdiction by an MNE group, subject to conditions. No inconsistencies were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

13. Hong Kong has legal mechanisms in place to enforce compliance with the minimum standard: there are notification mechanisms in place that apply to Hong Kong entities.[9] There are also penalties in place in relation to the filing of a CbC report: (i) penalties for failure to file a CbC report and late filing and (ii) penalties for inaccurate information. [10]

Conclusion

14. Hong Kong's 2017/2018 peer review included a recommendation that Hong Kong finalises its domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible. Hong Kong now has the primary law in place to impose and enforce CbC requirements. As such, the recommendation with respect to domestic legal and administrative framework issued in the 2017/2018 peer review is removed. Hong Kong meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

15. Hong Kong's 2017/2018 peer review included a recommendation that Hong Kong take steps to enable exchanges of CbC reports under existing international agreements. With respect to reporting periods beginning in 2017 and 2018, Hong Kong has proactively engaged its DTA partners in establishing bilateral relationships for the exchange of CbC reports and concluded twelve bilateral CAAs as of 31 March 2019. As the process is still going on, the recommendation remains in place for these periods. With

respect to reporting periods beginning on or after 1 January 2019, Hong Kong has taken steps to have in place bilateral relationships for the exchange of CbC reports under the CbC MCAA and so, for these periods, the recommendation no longer applies.

16. As of 31 May 2019, Hong Kong has 56 bilateral relationships in place for the exchange of CbC reports, including those activated under the CbC MCAA and bilateral CAAs. Twelve of these bilateral relationships apply to reporting periods beginning in 2017 and 2018. All 56 bilateral relationships apply to reporting periods beginning on or after 1 January 2019. With respect to reporting periods beginning in 2017 and 2018, it is recommended that Hong Kong continue to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Hong Kong has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.[13] With respect to reporting periods beginning on or after 1 January 2019, Hong Kong has taken steps to put in place sufficient bilateral relationships for the exchange of CbC reports under the CbC MCAA and so, for these periods, no recommendation is made[11].

(b) Content of information exchanged

17. Hong Kong has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

18. No information or peer input was received for the reviewed jurisdiction in relation to the content of information exchanged. There are no concerns to be reported in respect of the content of information exchanged.

(c) Completeness of exchanges

19. Hong Kong has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

20. No information or peer input was received for the reviewed jurisdiction in relation to the completeness of exchanges. There are no concerns to be reported in respect of the completeness of exchanges.

(d) Timeliness of exchanges

21. Hong Kong has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

22. No information or peer input was received for the reviewed jurisdiction in relation to the timeliness of exchanges. There are no concerns to be reported in respect of the timeliness of exchanges.

(e) Temporary suspension of exchange or termination of QCAA

23. Hong Kong has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

24. No information or peer input was received for the reviewed jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. There are no concerns to be reported in respect of the temporary suspension of exchange or termination of QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

25. Hong Kong has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

26. No information or peer input was received for the reviewed jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. There are no concerns to be reported in respect of consultation with the other Competent Authority before determining systemic failure or significant non-compliance.

(g) Format for information exchange

27. Hong Kong confirms that it uses the OECD XML Schema and User Guide for Tax Administrations (OECD, 2017[3]) for the international exchange of CbC reports

28. No information or peer input was received for the reviewed jurisdiction in relation to the format for information exchange. There are no concerns to be reported in respect of the format of information exchange.

(h) Method for transmission

29. Hong Kong indicates that it uses the Common Transmission System to exchange CbC reports.

30. No information or peer input was received for the reviewed jurisdiction in relation to the method for transmission. There are no concerns to be reported in respect of the method used for transmission.

Conclusion

31. With respect to reporting periods beginning in 2017 and 2018, Hong Kong has proactively engaged its DTA partners in establishing an exchange of information framework that allows automatic exchange of CbC reports under the DTAs and concluded twelve bilateral CAAs as of 31 March 2019. The process is still going on. The recommendation in the 2017/2018 peer review for Hong Kong to take steps to complete such a framework and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites remains in place for these periods. With respect to reporting periods beginning on or after 1 January 2019, Hong Kong has taken steps to ensure bilateral relationships for the exchange of CbC reports under the CbC MCAA are in place and so, for these periods, the recommendation no longer applies.

Part C: Appropriate use

32. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

33. No information or peer input was received for Hong Kong suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

34. Hong Kong meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	It is recommended that Hong Kong continues to take steps to enable exchanges of CbC reports under existing international agreements for reporting periods beginning in 2017 and 2018.
Part C	Appropriate use	-

Notes

[1] The legislation for CbC reporting is provided in Part 9A of the Inland Revenue (Amendment) (No. 6) Ordinance 2018 ("Amendment Ordinance"). The Amendment Ordinance can be accessed at the following link: www.gld.gov.hk/egazette/pdf/20182228/es12018222827.pdf (see pages 81 to 88, 91 to 109 and 127 to 134).

[2] Basic guidance on CbC reporting is provided in the website of the Inland Revenue Department ("IRD"), which is accessible at the following link: www.ird.gov.hk/eng/tax/dta_cbc.htm.

[3] See sections 58B, 58D and 58E of the Amendment Ordinance.

[4] A Constituent Entity in Hong Kong would only be required to file a CbC report in Hong Kong under local filing requirements if its Ultimate Parent Entity meets the filing threshold as determined in its jurisdiction of tax residence, and provided that the threshold is equivalent to EUR 750 million as of January 2015 (section 58D(4) and (5) of the Amendment Ordinance). Hong Kong confirms that these provisions operate in line with the question IV. 1. "Impact of currency fluctuations on the agreed EUR 750 million threshold (June 2016) of the "Guidance on the implementation of country-by-country reporting": www.oecd.org/tax/guidance-on-the-implementation-of-country-by-country-reporting-beps-action-13.pdf.

[5] See section 58E(1) of the Amendment Ordinance.

[6] See section 58E(2) of the Amendment Ordinance.

[7] See section 58B(2), (3) and (4) of the Amendment Ordinance.

[8] As per schedule 44 to the Amendment Ordinance, section 58F relating to the local filing obligation applies in relation to an accounting period beginning on or after 1 January 2018.

[9] See section 58H of the Amendment Ordinance.

[10] As per sections 80G and 80H of the Amendment Ordinance, a reporting entity or a service provider engaged by the entity which, without a reasonable excuse, fails to file a CbC report, files the report late or provides inaccurate information in the report is liable on conviction to a fine up to HKD 50 000. Where the relevant offence is committed with intent to defraud, a reporting entity is subject to a fine up to HKD 50 000 and an imprisonment up to 3 years. In the case of a continuing failure to file a CbC report after conviction, the reporting entity is liable to a further fine not exceeding HKD 500 for every day or part thereof during which the offence continues.

[11] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Hungary

1. Hungary was first reviewed during the 2017/2018 peer review. This report is supplementary to Hungary's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Hungary applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Hungary's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

3. It was recommended, in Hungary's 2018/2018 peer review report, that Hungary clarify that the annual consolidated group revenue threshold calculation rule applies without prejudice to the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Hungary. Hungary has published updated legislation to clarify this point. The recommendation in the 2017/2018 peer review is removed.

4. It was recommended, in Hungary's 2017/2018 peer review report, that Hungary take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Hungary now has measures in place to ensure the appropriate use of information in all six areas identified in the *OECD Guidance on the Appropriate Use of Information contained in CbC Reports* (OECD, 2017a). As such, the recommendation with respect to appropriate use issued in the 2017/2018 peer review is removed.

Part A: The domestic legal and administrative framework

5. Hungary has primary law in place for implementing the BEPS Action 13 minimum standard[1] (the "CbC Act") establishing the necessary requirements, including the filing and reporting obligations. No guidance has been published. Since the 2017/2018 peer review, Hungary has provided an update with respect to the processes it has in place to ensure effective implementation.

(a) Parent entity filing obligation

6. Hungary's 2017/2018 peer review included a recommendation that Hungary clarify that the annual consolidated group revenue threshold calculation rule applies without prejudice of the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Hungary. Hungary has published updated legislation[2] has been published which entered into force on 1 January 2019. This emend adds the words *or if the central administration of the parent company of the MNE Group is situated in a state or territory outside of Hungary the sum equivalent to EUR 750,000,000 expressed in local currency established by the internal rules relating to*

country by country reporting of this state or territory to Hungary's Excluded MNE definition. The recommendation in the 2017/2018 peer review is removed.

7. No other changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

8. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

9. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

10. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

11. Hungary's 2017/2018 peer review included a general monitoring point concerning the fact that was no specific process that would allow it to take appropriate measures in case Hungary is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Hungary has provided updated information, explaining that, in such a situation, Central Liaison Office immediately informs Tax Returns Department which takes measures to get the CbC report submitted, and/or corrected, as well as the data elucidated with the involvement of the professional field of the competent directorate based on the registered office of the taxpayer within 15 days. In addition, failure to file, late filing, and inaccurate filing should be a subject to default penalty. In view of this update and specific process, the monitoring point is removed.

Conclusion

12. Hungary's 2017/2018 peer review included a recommendation that Hungary clarify that the annual consolidated group revenue threshold calculation rule applies without prejudice of the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Hungary. Hungary has published updated legislation. The recommendation in the 2017/2018 peer review is removed. Hungary meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

13. As of 31 May 2019, Hungary has 64 bilateral relationships in place, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Hungary has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. Regarding Hungary's

exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

14. Hungary has written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these procedures.

(c) Completeness of exchanges

15. Hungary has written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these procedures.

(d) Timeliness of exchanges

16. Hungary has written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these procedures.

17. No information or peer input was received for the reviewed jurisdiction in relation to the timeliness of exchanges. There are no concerns to be reported in respect of the timeliness of exchanges.[3]

(e) Temporary suspension of exchange or termination of QCAA

18. Hungary has written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those procedures.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Hungary has written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those procedures.

(g) Format for information exchange

20. Hungary confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

21. Hungary indicates that it uses the Common Transmission System to exchange CbC reports.[4]

Conclusion

22. Hungary has in place the necessary procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Hungary meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

23. The 2017/2018 peer review included a recommendation that Hungary take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Since the 2017/2018 peer review, Hungary has issued an internal regulation[5] and provided details in relation to these measures, ensuring the appropriate use of information in all six areas identified in the *OECD Guidance on the Appropriate use of Information contained in CbC Reports* (OECD, 2017a) and enabling it to answer "yes" to the additional questions on appropriate use. In light of the update provided by Hungary the recommendation on appropriate use is removed.

24. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

25. Hungary's 2017/2018 peer review included a recommendation that Hungary take steps to ensure that the appropriate use condition is met ahead of the first exchange of information. Hungary now has measures in place and the recommendation on appropriate use is removed. Hungary meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of Chapter V/D for the Reporting and Automatic Exchange of Information Relating to Country-by-Country Reports established by Act XL of 2017 amending Act XXXVII of 2013 on the rules of International Administrative Cooperation Related to Taxes and other Public Duties, implemented in May 2017.

[2] Hungary indicates that the legislation regarding the amendment of the notion of the ”Excluded MNE Group” has been approved by the Hungarian Parliament on 13 November 2018 and published on 23 November in the Hungarian Official Journal as Section 182 of Act LXXXII of 2018 on the amendments of certain tax laws relating to EU commitments and certain laws regarding tax administration. The following part is added to the original provision: if the central administration of the parent company of the MNE Group is situated in a state or territory outside of Hungary the sum equivalent to EUR 750,000,000 expressed in local currency established by the internal rules relating to country by country reporting of this state or territory.

[3] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

[4] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

[5] Hungary indicates that the internal regulation named Protocal No. 1098/2018 has been issued by the Commissioner of the National Tax and Customs administration on the rules of automatic exchange of information related to country-by-country reporting, and on data exploitation, use for the purposes of risk analyses and audit, which is entered into force on 4 July 2018.

Iceland

1. Iceland was first reviewed during the 2017/2018 peer review. This report is supplementary to the Iceland's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Iceland applies to reporting fiscal years commencing on or after 1 January 2017.

Summary of key findings

2. Iceland's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]), except for the following:

- It is recommended that Iceland amend or otherwise clarify the definitions of an "Ultimate Parent Entity", a "Constituent Entity" and an "MNE Group" in a manner consistent with the definition contained in the terms of reference.
- It is recommended that Iceland clarify that the annual consolidated group revenue threshold calculation rule applies without prejudice of the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Iceland.
- It is recommended that Iceland clarify the scope of two conditions for local filing to ensure that local filing can only be required in the circumstances contained in the terms of reference.
- It is recommended that Iceland introduce rules providing that local filing will not apply in case of Surrogate Parent Entity.

These recommendations remain unchanged since the 2017/2018 peer review. Iceland indicates that it is in the process of finalising the necessary legislative amendments.

3. Iceland's 2017/2018 peer review included a recommendation that Iceland take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Iceland now has measures in place to ensure the appropriate use of information in all six areas identified in the OECD Guidance on the appropriate use of information contained in CbC Reports. The recommendation with respect to appropriate use issued in the 2017/2018 peer review is removed.

Part A: The domestic legal and administrative framework

4. Iceland has primary and secondary laws (hereafter the "regulations") in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations.[1] Guidance has also been published.[2]

(a) Parent entity filing obligation

5. Iceland's 2017/2018 peer review included the following recommendations:

- that Iceland amend or otherwise clarify the definitions of an "Ultimate Parent Entity", a "Constituent Entity" and of an "MNE Group" in a manner consistent with the terms of reference and
- that Iceland amend or otherwise clarify its rule for the calculation of the annual consolidated group revenue threshold calculation so that it applies in a manner consistent with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Iceland, when local filing requirements are applicable.

These two recommendations remain in place. Iceland indicates that it is in the process of finalising the necessary legislative amendments in relation to Article 91a of the Income Tax Act no. 90/2003 (primary law) and Regulation no. 1166/2016 (secondary law) in order to fully comply.

(b) Scope and timing of parent entity filing

6. No changes were identified with respect to the scope of parent entity filing.[3]

(c) Limitation on local filing obligation

7. Iceland's 2017/2018 peer review included a recommendation that Iceland amend its legislation or otherwise take steps to ensure that local filing is only required in the circumstances contained in the terms of reference. This recommendation remains in place. Iceland indicates that it is in the process of finalising the necessary legislative amendments in relation to Article 91a of the Income Tax Act no. 90/2003 (primary law) and Regulation no. 1166/2016 (secondary law) in order to fully comply.

(d) Limitation on local filing in case of surrogate filing

8. Iceland's 2017/2018 peer review included a recommendation that Iceland introduce rules providing that local filing will not apply for a Constituent Entity resident in Iceland when the CbC report of the CbC Group to which it belongs has been filed by a Surrogate Parent Entity in its jurisdiction of tax residence. This recommendation remains in place. Iceland indicates that it is in the process of finalising the necessary legislative amendments in relation to Article 91a of the Income Tax Act no. 90/2003 (primary law) and Regulation no. 1166/2016 (secondary law) in order to fully comply.

(e) Effective implementation

9. No changes were identified with respect to the effective implementation.[4]

Conclusion

10. There is no change to the conclusion in relation to the domestic legal and administration framework for Iceland since the previous peer review. Iceland meets all the terms of reference relating to the domestic legal and administrative framework, with the exception of (i) the definitions of an "Ultimate Parent Entity", a "Constituent Entity" and an "MNE Group" (paragraphs 8(a) i. and iii. and 15 of the terms of reference); (ii) the annual consolidated group revenue threshold (paragraph 8(a) ii. of the terms of reference); (iii) the local filing conditions (paragraphs 8(c) iv. b) and c) of the terms of reference); and (iv) the limitation on local filing where there is surrogate entity filing (paragraph 8(d) of

the terms of reference). Iceland indicates that it is in the process of finalising the necessary legislative amendments.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019 Iceland has 64 bilateral relationships, including those activated under the CbC MCAA, under bilateral CAAs and under the Nordic Convention. Within the context of its international exchange of information agreements that allow automatic exchange of information, Iceland has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[5] Regarding Iceland's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. Iceland has written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these procedures.

(c) Completeness of exchanges

13. Iceland has written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these procedures.

(d) Timeliness of exchanges

14. Iceland has written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these procedures.

(e) Temporary suspension of exchange or termination of QCAA

15. Iceland has written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Iceland has written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those procedures.

(g) Format for information exchange

17. Iceland confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

18. Iceland indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

19. Iceland has in place the necessary processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Iceland meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

20. The 2017/2018 peer review included a recommendation that Iceland take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Since the 2017/2018 peer review, Iceland has provided details in relation to these measures, enabling it to answer "yes" to the additional questions on appropriate use. In light of the update provided by Iceland, the recommendation on appropriate use is removed. There are no concerns to be reported for Iceland in respect of the appropriate use condition.

Conclusion

21. Iceland meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework - Parent entity filing obligation definitions	It is recommended that Iceland amend or otherwise clarify the definitions of an "Ultimate Parent Entity", a "Constituent Entity" and an "MNE Group" in a manner consistent with the definition contained in the terms of reference.
Part A	Domestic legal and administrative framework - Parent entity filing obligation annual consolidated group revenue threshold	It is recommended that Iceland clarify that the annual consolidated group revenue threshold calculation rule applies without prejudice of the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Iceland.
Part A	Domestic legal and administrative framework - Limitation on local filing	It is recommended that Iceland clarify the scope of two conditions for local filing to ensure that local filing can only be required in the circumstances contained in the terms of reference.
Part A	Domestic legal and administrative framework - Limitation on local filing in case of surrogate filing	It is recommended that Iceland introduce rules providing that local filing will not apply in case of Surrogate Parent Entity.
Part B	Exchange of information	-
Part C	Appropriate use	-

Notes

[1] Primary law consists Article 91 a, of the Income Tax Act no. 90/2003, as amended with Act no. 112/2016. Secondary law consists of Regulation no. 1166/2016 Country by Country reporting. Iceland indicates it is in the process of amending Regulation no. 112/2016 which will take into account the recommendations made in the 2017/2018 peer review.

[2]Guidance was published on the Directorate of Internal Revenue website available at www.rsk.is/media/rsk04/rsk_0430_2017.is.pdf. Iceland indicates it is in the process of on updating guidance expected to be published on the website of the Directorate of Internal Revenue by September 2018.

[3] Iceland's 2017/2018 peer review included a monitoring point in relation to the issuance of updated interpretation or clarification of "Revenues – Related Party" within a reasonable timeframe to ensure consistency with OECD guidance. Iceland indicates it is in the process of updating existing guidance. This monitoring point remains in place.

[4] Iceland's 2017/2018 peer review included a general monitoring point relating to a specific process to that would allow to take appropriate measures in case Iceland is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This monitoring point remains in place.

[5] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

India

1. India was first reviewed during the 2017/2018 peer review. This report is supplementary to India's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in India commences in respect of financial years beginning on or after 1 April 2016.

Summary of key findings

2. India's implementation of Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]) relating to the domestic legal and administrative framework, with the following exception:

- India's 2017/2018 peer review included a recommendation that India amend or otherwise clarify that the annual consolidated group revenue threshold calculation rule applies in a manner consistent with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than India. This recommendation remains in place.
- India's 2017/2018 peer review included a recommendation that India amend its legislation or otherwise takes steps to ensure that local filing is only required in the circumstances contained in the terms of reference. This recommendation remains in place.

3. India does not yet have in place all the necessary processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. It is recommended that India take steps to implement such processes and written procedures as soon as possible.

Part A: The domestic legal and administrative framework

4. India has primary and secondary laws in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.

(a) Parent entity filing obligation

5. India's 2017/2018 peer review included a recommendation that India amend or otherwise clarify that the annual consolidated group revenue threshold calculation rule applies in a manner consistent with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than India. This recommendation remains in place.

(b) Scope and timing of parent entity filing

6. India's 2017/2018 peer review included a monitoring point around India's description of the items to be included in a CbC Report. It was expected that India issue an updated interpretation or clarification of the definitions of "Revenues" within a reasonable

timeframe to ensure consistency with OECD guidance, and this was being monitored. India did update the definition in line with the standard so the monitoring point is removed.

(c) Limitation on local filing obligation

7. India's 2017/2018 peer review included a recommendation that India amend its legislation or otherwise takes steps to ensure that local filing is only required in the circumstances contained in the terms of reference. This recommendation remains in place.

(d) Limitation on local filing in case of surrogate filing

8. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

9. There is no change to with respect to effective implementation.

Conclusion

10. There is no change in relation to the domestic legal and administration framework for India since the previous peer review. The recommendations in the 2017/18 peer review remain in place.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As at 31 May 2019, India has 63 bilateral relationships activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, India has taken steps to have Qualifying Competent Authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[1] Regarding India's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. India has processes in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged. India has provided details of these processes.

(c) Completeness of exchanges

13. India has processes and written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA. India has provided details of these process.

(d) Timeliness of exchange

14. India does not yet have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs. India has not provided any details of reports exchanged.

(e) Temporary suspension of exchange or termination of QCAA

15. India does not yet have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a

relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. India does not yet have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

17. India confirms that it uses the OECD XML schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports

(h) Method for transmission

18. India indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

19. India does not yet have in place all the necessary processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. It is recommended that India take steps to implement such processes and written procedures as soon as possible.

Part C: Appropriate use

20. India's 2017/2018 peer review included a recommendation that India take steps to ensure that the appropriate use condition is met ahead of the first exchange of CbC reports. India has provided some information on its appropriate use processes. India indicates that that measures are in place to ensure the appropriate use of information in all six areas identified by the OECD Guidance on the appropriate use of information contained in Country-by-Country report. It has provided details in relation to these measure , enabling it to answer yes to the additional questions on appropriate use. The recommendation is therefore removed.

21. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use.

Conclusion

22. India meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that India provide detail of the process and enforcement of the administrative provision for a specified class of MNE to file a modified CbC report and confirm whether there are situations where a report may not be filed or may not be exchanged as a result of non-compliance with the provision.
Part A	Domestic legal and administrative framework	It is recommended that India amend its legislation or otherwise take steps to ensure that local filing is only required in the circumstances contained in the terms of reference.
Part B	Exchange of information framework	It is recommended that India take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate Use	-

Notes

[1] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Indonesia

1. Indonesia was first reviewed during the 2017/2018 peer review. This report is supplementary to Indonesia's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Indonesia commences in respect of periods commencing on or after 1 January 2016.

Summary of key findings

2. Indonesia's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2])**.**

Part A: The domestic legal and administrative framework

3. Indonesia has primary and secondary laws in place[1] for implementing the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations. Guidance has been published on 29 December 2017.[2]

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.[3]

(b) Scope and timing of parent entity filing

5. Indonesia's 2017/2018 peer review included a monitoring point in relation to the ability of Indonesia to exchange CbC reports related to Fiscal Year 2016 according to the agreed deadlines in 2018 because of the late filing deadline set for MNEs in 2016 only.[4] Indonesia reports that the filing deadline did not affect its ability to exchange CbC reports in a timely manner. This monitoring point is now removed.

6. Indonesia's 2017/2018 peer review also included a monitoring point in relation to the expected publication of the instructions to file a CbC report in XML format with reference to the OECD XML template (which would notably include the requirement to report the tax jurisdiction of organisation if different from the tax jurisdiction of residence for the Constituent Entities of the MNE Group). Indonesia reports that it has published detailed guidance on filing CbCR in XML format with reference to OECD guidance. This monitoring point is now removed.[5]

7. No other changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

8. No changes were identified with respect to the local filing obligation.[6]

(d) Limitation on local filing in case of surrogate filing

9. No changes were identified with respect to the limitation on local filing in case of surrogate filing.[7]

(e) Effective implementation

10. No changes were identified with respect to the effective implementation.[8]

Conclusion

11. There is no change to the conclusion in relation to the domestic legal and administration framework for Indonesia since the previous peer review. Indonesia meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

12. As of 31 May 2019, Indonesia has 65 bilateral relationships, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, Indonesia has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[9] Regarding Indonesia's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

13. Indonesia has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

14. Indonesia has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

15. Indonesia has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

(e) Temporary suspension of exchange or termination of QCAA

16. ***Indonesia has processes in place that are intended to ensure that a temporary*** suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

17. Indonesia has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

18. Indonesia confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

19. Indonesia indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

20. Indonesia has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Indonesia meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

21. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

Conclusion

22. Indonesia meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of Article 28 paragraphs 11 and Article 48 Law Number 6 Year 1983 concerning General Provisions and Tax Procedures as lastly amended by Law Number 16 Year 2009: these provisions stipulate the obligation to retain documents for 10 years, including transfer pricing documentation and CbC report. Secondary law consists of Article 10 paragraph 3 Government Regulation Number 74 Year 2010 which gives mandate to Minister of Finance to regulate the procedures to retain documents, including transfer pricing documentation and CbC report. See also Ministry of Finance Regulation Number 213/PMK.03/2016, signed and enacted on 30 December 2016 which obliges taxpayer to prepare and retain the three-tiered transfer pricing documentation.

[2]It is noted that Article 12 of the Ministry of Finance Regulation number 213/PMK.03/2016 gives mandate to Director General of Taxes to circulate guidance on CbC report. A Directorate General of Taxes Regulation nb.29/PJ/2017was published on 29 December 2017.

[3] Indonesia's 2017/2018 peer review included monitoring points (relating to the "deemed listing provision" and the definition of a "Constituent Entity"). These monitoring points remain in place.

[4] This was because of the filing deadline of CbC reports relating to Fiscal Year 2016: CbC reports were to be filed not later than 16 months after the end of the Fiscal Year 2016.

[5] Indonesia's guidance has been published in http://pajak.go.id/cbcr in April 2018 and will be updated if there are any changes. Indonesia also performed dissemination to selected taxpayers which expected to file CbCR by 30 April 2018.

[6] Indonesia's 2017/2018 peer review included a monitoring point in relation to the local filing in case of "systemic failure". This monitoring point remains in place.

[7] Indonesia's 2017/2018 peer review included a monitoring point in relation to one of the conditions to deactivate the local filing obligation in case of surrogate filing. This monitoring point remains in place.

[8] Indonesia's 2017/2018 peer review included a general monitoring point relating to a specific process to that would allow to take appropriate measures in case Indonesia is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This monitoring point remains in place.

[9] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Ireland

1. Ireland was first reviewed during the 2017/2018 peer review. This report is supplementary to Ireland's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Ireland applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Ireland's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Ireland has primary law and secondary law in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations.[1] Guidance has also been published in the form of answers to frequently asked questions (FAQs).[2] Ireland has provided an update with respect to effective implementation.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.[3]

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. Ireland's 2017/2018 peer review noted that it did not have specific processes in place that would allow Ireland to take appropriate measures in circumstances where it is notified by another jurisdiction that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that a Reporting Entity was non-compliant with respect to its filing obligation. Ireland indicates that it now has a procedure in place whereby the Irish Competent Authority will, upon receiving such notification, instruct the unit within the tax administration that is responsible for monitoring the Report Entity's compliance to investigate the issue. Once the facts have been determined, if necessary, the Irish Revenue will then take further action to ensure the correct information is obtained and

the Reporting Entity is compliant with CbCR requirements. In light of this specific procedure, the monitoring point in Ireland's 2017-2018 peer review is removed.

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for Ireland since the previous peer review. Ireland meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, Ireland has 67 bilateral relationships in place, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Ireland has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[4] [5] Regarding Ireland's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

11. Ireland has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

12. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the content of information exchanged. No concerns were reported.

(c) Completeness of exchanges

13. Ireland has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

14. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the completeness of exchanges. No concerns were reported.

(d) Timeliness of exchanges

15. Ireland has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

16. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the timeliness of exchanges. No concerns were reported.[6]

(e) Temporary suspension of exchange or termination of QCAA

17. Ireland has written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those written procedures.

18. One jurisdiction provided peer input for the reviewed jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. No concerns were reported.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Ireland has written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those written procedures.

20. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. No concerns were reported.

(g) Format for information exchange

21. Ireland confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

22. No information or peer input was received for the reviewed jurisdiction in relation to the format for information exchange. No concerns were reported.

(h) Method for transmission

23. Ireland indicates that it uses the Common Transmission System to exchange CbC reports.[7]

24. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the method for transmission. No concerns were reported.

Conclusion

25. Ireland has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Ireland meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

26. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

27. One jurisdiction provided peer input for the reviewed jurisdiction in relation to appropriate use. No concerns were reported.

Conclusion

28. Ireland meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of Section 891H of the Taxes Consolidation Act 1997 (No. 39 of 1997). Secondary law consists of regulations introduced by a Statutory Instrument No. 653 of 2016: the *Taxes (Country-By-Country Reporting) Regulations 2016*.

[2] The Irish Revenue Commissioners have produced some technical guidelines on CbC Reporting, in the form of frequently asked questions (FAQs). Ireland indicates that these are designed to provide guidance on the legislation and practical assistance to taxpayers in relation to their CbC reporting obligations. The FAQs are a 'living document' and are continually updated to reflect ongoing developments and guidance from the OECD and the EU, as well as practical issues experienced by taxpayers in relation to CbC Reporting. This document provides the taxpayer with guidance on CbC reporting but cannot create obligations that go beyond the legislation. The FAQs and relevant appendices are available on the Irish Revenue website: www.revenue.ie/en/tax-professionals/tdm/income-tax-capital-gains-tax-corporation-tax/part-38/38-03-21.pdf).

[3] Ireland's 2017/2018 peer review included a monitoring point relating to the conditions under which local filing may be required (paragraph 8 (c) iv. b) of the terms of reference). This monitoring point remains in place.

[4] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[5] It is also noted that Ireland deposited a Unilateral Declaration on "the effective date for exchanges of information under the Multilateral Competent Authority Agreement on the exchange of Country-by-Country Reports" with the Depository of the Convention on Mutual Administrative Assistance in Tax Matters to allow for an earlier date of entry into effect of the Convention for jurisdictions that will sign the Convention at a later date.

[6] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

[7] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

Isle of Man

1. The Isle of Man was first reviewed during the 2017/2018 peer review. This report is supplementary to Isle of Man's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in the Isle of Man applies to reporting fiscal years commencing on or after 1 January 2017. The Isle of Man also allowed its MNE groups to file a CbC report on a voluntary basis, for reporting fiscal years beginning between 1 January 2016 and 31 December 2016 (i.e. "parent surrogate filing").

Summary of key findings

2. The Isle of Man's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. The Isle of Man has primary law in place for implementing the BEPS Action 13 minimum standard[1] establishing the necessary requirements, including the filing and reporting obligations. Guidance was also published.[2]

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. With respect to the monitoring point in the Isle of Man's 2017/2018 peer review relating to a specific process that would allow to take appropriate measures in case the Isle of Man is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report, the Isle of Man indicates it would follow the same compliance measures for CbCR as it does for other AEOI reporting (FATCA & the CRS) to resolve any errors/inaccuracies notified to it by a receiving jurisdiction, which involves engaging with Reporting Entities to amend any such errors, and where necessary apply penalties

under see Regulations 11, 12, 13 and 18. In light of this procedure, the monitoring point in the Isle of Man's 2017/2018 peer review is removed.

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for the Isle of Man since the previous peer review. The Isle of Man meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, the Isle of Man has 58 bilateral relationships in place, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, the Isle of Man has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[3] Regarding the Isle of Man's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

11. The Isle of Man has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

12. The Isle of Man has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

13. The Isle of Man has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

(e) Temporary suspension of exchange or termination of QCAA

14. The Isle of Man has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

15. The Isle of Man has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the

relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

16. The Isle of Man confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[6]) for the international exchange of CbC reports.

(h) Method for transmission

17. The Isle of Man indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

18. The Isle of Man has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. The Isle of Man meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

19. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

20. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

21. The Isle of Man meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists Section 104B of the Income Tax Act 1970 and secondary law includes the Income Tax (Country-by-Country Reporting) Regulation 2017.

[2] CbCR guidance was published on the Income Tax Division website at www.gov.im/categories/tax-vat-and-your-money/income-tax-and-national-insurance/international-agreements/base-erosion-and-profit-shifting/action-13-country-by-country-reporting.

[3] It is noted that a few Qualifying Competent Authority agreements are not in effect with jurisdictions of the Inclusive Framework that meet the confidentiality condition and have legislation in place: this may be because the partner jurisdictions considered do not have the Convention in effect for the first reporting period, or may not have listed the reviewed jurisdiction in their notifications under Section 8 of the CbC MCAA.

Israel

1. Israel was first reviewed during the 2017/2018 peer review. This report is supplementary to Israel's 2017/2018 peer review report (OECD, 2018[1]). There is no filing obligation for a CbC report in Israel yet.

Summary of key findings

2. Israel does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Israel take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Israel take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Israel has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Israel take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Israel take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Israel will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Israel does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. Israel indicates that primary legislation has been submitted to the Israeli Knesset for approval and that secondary legislation is in draft. It is expected that legislation will come into effect in 2019.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. No changes were identified with respect to the effective implementation.

Conclusion

13. The recommendation in the 2017/18 peer review, that Israel take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, remains in place.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, Israel has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Israel take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Israel has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

15. Israel does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. Israel does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

17. Israel does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

18. Israel does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Israel does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before

making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

20. Israel has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

21. Israel has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

22. The recommendation in the 2017/2018 peer review for Israel to take steps to sign the CbC MCAA and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Israel has an international exchange of information agreement in effect that allows for the automatic exchange of tax information remains in place.

23. Further, it is recommended that Israel take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Israel will not be exchanging CbC reports in 2019.

Part C: Appropriate use

24. Israel does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Israel to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place. It is however noted that Israel will not be exchanging CbC reports in 2019.

Conclusion

25. There is no change to the conclusion in relation to the appropriate use for Israel since the previous peer review. The recommendation for Israel to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that Israel will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Israel take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Israel take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Israel has an international exchange of information agreement in effect that allows for the automatic exchange of tax information
Part B	Exchange of information framework	It is recommended that Israel take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Israel take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Italy

1. Italy was first reviewed during the 2017/2018 peer review. This report is supplementary to Italy's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Italy applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Italy's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Italy has primary and secondary legislation in place[1] which implements the BEPS Action 13 minimum standard for reporting fiscal years beginning on or after 1 January 2016. Guidance has also been published.[2]

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. No changes were identified with respect to the effective implementation.

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for Italy since the previous peer review. Italy meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, Italy has 67 bilateral relationships in place, including those activated under the CbC MCAA, a bilateral CAA, and the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Italy has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that

meet the confidentiality, consistency and appropriate use conditions.[3] Regarding Italy's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

11. Italy has processes and written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

12. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the content of information exchanged. No concerns were reported.

(c) Completeness of exchanges

13. Italy has processes and written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

14. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the completeness of exchanges. No concerns were reported.

(d) Timeliness of exchanges

15. Italy has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

16. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the timeliness of exchanges. No concerns were reported in this regard.[4]

(e) Temporary suspension of exchange or termination of QCAA

17. Italy has processes and written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

18. One jurisdiction provided peer input for the reviewed jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. No concerns were reported in this regard.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Italy has processes and written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

20. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. No concerns were reported.

(g) Format for information exchange

21. Italy confirms that it uses the OECD XML Schema and User Guide for the international exchange of CbC reports.

22. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the format for information exchange. No concerns were reported.

(h) Method for transmission

23. Italy indicates that it uses the Common Transmission System to exchange CbC reports.[5]

24. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the method for transmission. No concerns were reported.

Conclusion

25. Italy has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Italy meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

26. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

27. One jurisdiction provided peer input for the reviewed jurisdiction in relation to appropriate use. No concerns were reported.

Conclusion

28. Italy meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of Article 1, paragraph 145, in Law no. 208, 28 December 2015: www.gazzettaufficiale.it/atto/serie_generale/caricaDettaglioAtto/originario?atto.dataPubblicazioneGazzetta=2015-12-30&atto.codiceRedazionale=15G00222 (accessed 20 April 2018). Secondary law consists of *Ministerial Decree 23 February 2017, published in the Gazzetta Ufficiale of 8.3.2017:* www.gazzettaufficiale.it (accessed 20 April 2018).

[2] A Provvedimento (Act/Order) of the Director of the Tax Agency ("PROVVEDIMENTO PROT. 275956"), containing the detailed arrangements for the submission of CbC reports and provisions on appropriate use, has been published on 28 November 2017: www.agenziaentrate.gov.it/wps/content/nsilib/nsi/normativa+e+prassi/provvedimenti/2017/novembre+2017+provvedimenti/provvedimento+28112017+rendicontazione+paese+per+paese (accessed 20 April 2018).

[3]: No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[4] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

[5] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

Jamaica

1. This report is Jamaica's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. There is no filing obligation for a CbC report in Jamaica yet.

Summary of key findings

2. Jamaica does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Jamaica take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

3. It is recommended that Jamaica take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Jamaica has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Jamaica take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Jamaica take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

6. It is however noted that Jamaica will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Jamaica has primary legislation which will allow the implementation of transfer pricing documentation regulations but does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

8. Jamaica does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2018 fiscal year

9. It is recommended that Jamaica take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

10. In respect of paragraph 8 of the terms of reference, Jamaica does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Jamaica. It is recommended that Jamaica take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Jamaica has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Jamaica take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Jamaica has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

12. Jamaica does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

13. Jamaica does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

14. Jamaica does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

15. Jamaica does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Jamaica does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

17. Jamaica has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

18. Jamaica has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

19. It is recommended that Jamaica take steps to put QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which it has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

20. Further, it is recommended that Jamaica take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Jamaica will not be exchanging CbC reports in 2019.

Part C: Appropriate use

21. Jamaica does not yet have measures in place relating to appropriate use. It is recommended that Jamaica take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

22. It is recommended that Jamaica take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information. It is however noted that Jamaica will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Jamaica take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Jamaica take steps to put QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Jamaica has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Jamaica take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Jamaica take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information.

Japan

1. Japan was first reviewed during the 2017/2018 peer review. This report is supplementary to Japan's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Japan commences in respect of fiscal years commencing on or after 1 April 2016. Japan also allows its MNE groups to file a CbC report on a voluntary basis, for reporting fiscal years beginning between 1 January 2016 and 31 March 2016 (i.e. "parent surrogate filing").

Summary of key findings

2. Japan's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Japan has primary law[1] in place which implements the BEPS Action 13 minimum standard, as well as secondary law[2] establishing the necessary requirements, including the filing and reporting obligations. Guidance has also been published.[3]

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. No changes were identified with respect to the effective implementation.[4]

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for Japan since the previous peer review. Japan meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, Japan has 65 bilateral relationships in place, including those activated under the CbC MCAA and a bilateral QCAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, Japan has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[5] Regarding Japan's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

11. Japan has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

12. Japan has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

13. Japan has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

(e) Temporary suspension of exchange or termination of QCAA

14. Japan has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

15. Japan has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

16. Japan confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

17. Japan indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

18. ***Japan has in place the necessary processes to ensure that the exchange of*** information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Japan meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

19. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

20. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

21. Japan meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] See Article 66-4-4 of Act on Special Measures concerning Taxation, Supplementary Provisions and Article 8-2 of Act on Special Provisions of the Income Tax Act, the Corporation Tax Act and the Local Tax Act Incidental to Enforcement of Tax Treaty. See https://elaws.e-gov.go.jp/search/elawsSearch/elaws_search/lsg0500/detail?lawId=332AC0000000026&openerCode=1 and https://elaws.e-gov.go.jp/search/elawsSearch/elaws_search/lsg0500/detail?lawId=344AC0000000046&openerCode=1.

[2] See Article 39-12-4 of Order for Enforcement of the Act on Special Measures concerning Taxation, Supplementary Provisions and Article 22-10-4 of Ordinance for Enforcement of the Act on Special Measures concerning Taxation. See https://elaws.e-gov.go.jp/search/elawsSearch/elaws_search/lsg0500/detail?lawId=332CO0000000043&openerCode=1 and https://elaws.e-gov.go.jp/search/elawsSearch/elaws_search/lsg0500/detail?lawId=332M50000040015&openerCode=1.

[3] See Commissioner's Directive on Interpretation of the Act on Special Measures concerning Taxation, Commissioner's Directive on the Operation of Transfer Pricing (Administrative Guidelines), Commissioner's Directive on Form of Application and Reporting on Corporation Taxation (Form No.128), Commissioner's Directive on Form of Application and Reporting on Corporation Taxation (Form No.129), Commissioner's Directive on Form of Application and Reporting on Corporation Taxation (Form No.130). Texts of the Commissioner's Directives can be found from following links:

www.nta.go.jp/law/tsutatsu/kobetsu/hojin/sochiho/750214/12/12_66_4_4.htm;

www.nta.go.jp/law/jimu-unei/hojin/010601/06.htm;

www.nta.go.jp/law/tsutatsu/kobetsu/hojin/010705/pdf/tt128.pdf;

www.nta.go.jp/law/tsutatsu/kobetsu/hojin/010705/pdf/tt129.pdf;

and www.nta.go.jp/law/tsutatsu/kobetsu/hojin/010705/pdf/tt130.pdf.

[4] Japan's 2017/2018 peer review included a general monitoring point relating to a specific process to that would allow to take appropriate measures in case Japan is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This monitoring point remains in place

[5] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Jersey

1. Jersey was first reviewed during the 2017/2018 peer review. This report is supplementary to Jersey's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Jersey applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Jersey's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Jersey has primary and secondary laws in place for implementing the BEPS Action 13 minimum standard[1] establishing the necessary requirements, including the filing and reporting obligations.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. Jersey's 2017/2018 peer review included a monitoring point in relation to Jersey's local filing provision that was wider than permitted under the terms of reference and which Jersey was in the process of amending. Jersey confirms that it has applied the local filing obligations in line with the terms of reference, and has published guidance to this effect on its website[2] and therefore, this monitoring point is removed.

7. Jersey's 2017/2018 peer review also included a monitoring point in relation to Jersey's definition of "systemic failure" which could be interpreted in broader terms than intended under the terms of reference. Jersey has published updated interpretation on Jersey government website to clarify that systemic failure will be interpreted in line with the meaning in the MCAA and OECD's guidance.[3] This monitoring point is therefore removed.

(d) Limitation on local filing in case of surrogate filing

8. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

9. Jersey's 2017/2018 peer review included a monitoring point in relation to having a process in place in case it is notified by another jurisdiction that it has reason to believe with respect to a Reporting entity that an error may have led to incorrect or incomplete information reporting or that there is non-compliance of a Reporting entity with respect to its obligation to file a CbC report. Jersey indicates that no other jurisdiction has notified them to date but says that CBC reports are handled by the same team which handles Jersey's CRS and FATCA reports. The process for following up on issues raised by partner jurisdictions in relation to CBC issues is therefore the same as the process for following up on issues raised in relation to CRS or FATCA reports, namely to acknowledge receipt of the notification, contact the reporting entity to require a corrected report or an explanation of why none is required, submit the corrected report or explanation to all jurisdictions affected and issue penalties to the reporting entity if applicable. The monitoring point is therefore removed.

Conclusion

10. There is no change to the conclusion in relation to the domestic legal and administration framework for Jersey since the previous peer review. Jersey meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Jersey has 61 bilateral relationships in place, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, Jersey has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[4] Regarding Jersey's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. Jersey has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

13. Jersey has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

14. Jersey has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

15. Despite its procedures, Jersey reports late exchanges of CbC reports:.[5] However, Jersey also indicates that it has taken steps in order to ensure that any future exchanges of

CbC reports be carried out in accordance with the timelines provided for in the relevant QCAAs and terms of reference and therefore no recommendation is made.

(e) Temporary suspension of exchange or termination of QCAA

16. Jersey has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

17. Jersey has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

18. Jersey confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

19. Jersey indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

20. Jersey has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Jersey meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

21. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

22. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

23. Jersey meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists the Taxation (Implementation) (Jersey) Law 2004, Article 2: https://www.jerseylaw.je/laws/revised/Pages/17.850.aspx#content

Secondary law consists of Taxation (Implementation) (International Tax Compliance) (Country-by-Country Reporting: BEPS) (Jersey) Regulations 2016 (hereafter referred to as the "Regulations"): https://www.jerseylaw.je/laws/enacted/Pages/RO-128-2016.aspx

[22]https://www.gov.je/taxesmoney/internationaltaxagreements/igas/pages/countrybycountryreporting.aspx

[3]www.gov.je/TaxesMoney/InternationalTaxAgreements/IGAs/Pages/CountrybyCountryReporting.aspx

[4] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[5] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

Kazakhstan

1. Kazakhstan was first reviewed during the 2017/2018 peer review. This report is supplementary to Kazakhstan's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Kazakhstan commences in respect of reporting fiscal years starting on or after 1 January 2016.

Summary of key findings

2. Kazakhstan's implementation of legislation for the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2])**,** except for the following:

- It is recommended that Kazakhstan clarify the exact scope, conditions and legal basis under the minimum standard and/ or the exchange of information framework for the exemption in case of state secrets.

3. It is recommended that Kazakhstan take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which will meet the confidentiality, consistency and appropriate use prerequisites and with which Kazakhstan has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Kazakhstan take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.

5. It is recommended that Kazakhstan take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It was recommended in Kazakhstan's 2018/2018 report that Kazakhstan amend its legislation or otherwise takes steps to ensure that local filing is only required in the circumstances contained in the terms of reference. Kazakhstan has issued guidance suspending local filing requirement until further notice[1] so this recommendation is removed.

7. It was recommended in Kazakhstan's 2017/2018 report that Kazakhstan implement a provision whereby a single Constituent Entity of the same MNE Group may be designated to file the CbC report which would satisfy the local filing requirement of all the Constituent Entities in Kazakhstan. As Kazakhstan's local filing requirement is currently suspended until further notice, this recommendation is removed but the situation will be monitored.

Part A: The domestic legal and administrative framework

8. Kazakhstan has primary law and subordinate legislation in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations.[2]

(a) Parent entity filing obligation

9. Kazakhstan has introduced a domestic legal and administrative framework which imposes a CbC filing obligation on UPEs of MNE Groups above a certain threshold of revenue.

10. Kazakhstan's legislation includes a filing exemption in the case of state secrets, as follows: "The form of CbC reporting and the procedure for its completion are approved by the authorized body. Reporting provided for in this paragraph, containing information that constitutes state secrets in accordance with the legislation of the Republic of Kazakhstan on state secrets, is presented in a part that does not contain information constituting state secrets."[3] Kazakhstan's legislation does not specify the exact scope and conditions of such filing exemption, i.e. the entities to which it may apply, the circumstances and conditions under which such exemption would apply, the definition of "state secrets", the activities or the types of information covered by the exemption, etc. Thus, this filing exemption may be interpreted in a broad way whereas the minimum standard states that "no exemptions from filing the Country-by-Country Report should be adopted apart from the exemptions outlined in this section (exemption based on the EUR 750 million threshold). In particular, no special industry exemption should be provided, no general exemption for investment funds should be provided, and no exemption for non-corporate entities or non-public corporate entities should be provided." It is therefore recommended that Kazakhstan clarify the exact scope, conditions and legal basis under the minimum standard and/ or the exchange of information framework for such an exemption.

11. No other inconsistencies were identified with respect to Kazakhstan's domestic legal framework in relation to the parent entity filing obligation.[4]

(b) Scope and timing of parent entity filing

12. The first filing obligation for a CbC report in Kazakhstan commences in respect of financial years beginning on or after 1 January 2016. The CbC report must be filed within 12 months of the reporting fiscal year of the MNE Group.[5]

13. With respect to paragraph 8 b) ii. of the terms of reference (OECD, 2018[1]), it is noted that Kazakhstan's rules provide for a full or partial filing exemption as described in paragraph 7. Such an exemption may potentially lead to the filing of a CbC report that does not include all of the information as contained in the CbC report template in the Action 13 Report (OECD, 2015). It is therefore recommended that Kazakhstan clarify the exact scope and legal basis under the minimum standard and/or the exchange of information framework for such an exemption.

14. No other inconsistencies were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

15. Kazakhstan has introduced local filing requirements in respect of financial years beginning on or after 1 January 2016.

16. The circumstances under which local filling may occur under Kazakhstan's legislation are wider than allowed under the minimum standard. Examples of cases where local filing may be required under Kazakhstan's legislation, but would not be permitted under the minimum standard, include:

17. where the Ultimate Parent Entity of an MNE group is required to file a CbC report in the jurisdiction of residence, but has not complied with this obligation.[6] This is normally a situation for which it is up to the jurisdiction of residence of the Ultimate Parent Entity to deal with, through its enforcement measures.

18. where the Ultimate Parent Entity of an MNE Group is required to file a CbC Report with the tax authority in its residence jurisdiction, but there is no international agreement between Kazakhstan and this jurisdiction.[7] This is wider than paragraph 8(c) iv. b) of the terms of reference (OECD, 2018[1]) permit.

19. For Surrogate Parent Entities and Constituent Entities, it is noted that Kazakhstan's legislation requires a notarised copy of the CbC report in case the report is filed in paper (article 7-3(1)).

20. It was recommended in Kazakhstan's 2018/2018 report that Kazakhstan amend its legislation or otherwise takes steps to ensure that local filing is only required in the circumstances contained in the terms of reference. Kazakhstan has issued guidance suspending local filing requirement until further notice[8] so this recommendation is removed.

21. With respect to paragraph 8(c) v. of the terms of reference (OECD, 2018[1]), there is no provision in Kazakhstan's legislation to provide that, where local filing is required and there is more than one Constituent Entity of the same MNE Group that is resident for tax purposes in Kazakhstan, one Constituent Entity be designated to file the CbC report which would satisfy the filing requirement of all the Constituent Entities of such MNE Group that are resident for tax purposes in Kazakhstan. It was recommended in Kazakhstan's 2017/2018 report that Kazakhstan implement a provision whereby a single Constituent Entity of the same MNE Group may be designated to file the CbC report which would satisfy the local filing requirement of all the Constituent Entities in Kazakhstan. As Kazakhstan's local filing requirement is currently suspended until further notice this recommendation is removed but the situation will be monitored

(d) Limitation on local filing in case of surrogate filing

22. It is unclear whether Kazakhstan's legislation provides for the deactivation of local filing in case of surrogate filing. Kazakhstan state that this will be the case, this point will be monitored.

(e) Effective implementation

23. Kazakhstan has legal mechanisms in place to enforce compliance with the minimum standard: there are notification mechanisms in place that apply to taxpayers in Kazakhstan.[9] There are also penalties in place for failure to (i) file a CbC report, (ii) correctly file a CbC report and (iii) submit a report on time.[10]

24. There are no specific processes to take appropriate measures in case Kazakhstan is notified by another jurisdiction that it has reason to believe with respect to a Reporting Entity that an error may have led to incorrect or incomplete information reporting or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC

report. As no exchange of CbC reports has yet occurred, no recommendation is made but this aspect will be monitored.

Conclusion

25. In respect of paragraph 8 of the terms of reference, Kazakhstan has a domestic legal and administrative framework to impose and enforce CbC requirements on MNE Groups whose Ultimate Parent Entity is resident for tax purposes in Kazakhstan. Kazakhstan meets all the terms of reference relating to the domestic legal and administrative framework, with the exception that it is recommended that Kazakhstan clarify the exact scope, conditions and legal basis under the minimum standard and/or the exchange of information framework for the exemption in case of state secrets

Part B: The exchange of information framework

(a) Exchange of information framework

26. As of 31 May 2019, Kazakhstan has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Kazakhstan take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Kazakhstan has an international exchange of information agreement in effect that allows for the automatic exchange of tax information

(b) Content of information exchanged

27. Kazakhstan does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

28. Kazakhstan does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

29. Kazakhstan does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

30. Kazakhstan does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

31. Kazakhstan does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

32. Kazakhstan has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

33. Kazakhstan has not confirmed its encryption or electronic data transmission methods.

Conclusion

34. It is recommended that Kazakhstan take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Kazakhstan has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

35. Further, it is recommended that Kazakhstan take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.

Part C: Appropriate use

36. Kazakhstan does not yet have measures in place relating to appropriate use. It is recommended that Kazakhstan take steps to have measures in place relating to appropriate use ahead of the first exchanges of information.

Conclusion

37. It is recommended that Kazakhstan take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Kazakhstan clarify the exact scope, conditions and legal basis under the minimum standard and/ or the exchange of information framework for the exemption in case of state secrets.
Part B	Exchange of information framework	It is recommended that Kazakhstan take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Kazakhstan has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Kazakhstan take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.
Part C	Appropriate use	It is recommended that Kazakhstan take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Notes

[1] http://kgd.gov.kz/sites/default/files/pages/informacionnoe_pismo_0.docx.

[2] The Order of the Minister of Finance of the Republic of Kazakhstan dated February 14, 2018 No. 178, amending:

Under "Статья 5-1. Заявление об участии в международной группе" Article 5-1 relates to declaration of participation in an MNE.

See: https://online.zakon.kz/Document/?doc_id=30194061#pos=203;-107

Under "Статья 7-3. Межстрановая отчетность" Article 7-3 relates to CbC reporting.

See: https://online.zakon.kz/Document/?doc_id=30194061#pos=261;-86

[3] Статья 7-3. Межстрановая отчетность, article 7(3).

[4] For Surrogate Parent Entities and Constituent Entities, it is noted that Kazakhstan's legislation requires a notarised copy of the CbC report in case the report is filed in paper (Статья 7-3. Межстрановая отчетность, article 7-3(1)).

[5] Chapter 1, article 2 (Order of the Minister of Finance of the Republic of Kazakhstan dated February 14, 2018 No. 178).

[6] Статья 7-3. Межстрановая отчетность, article 7-3(3)(1).

[7] Статья 7-3. Межстрановая отчетность, article 7-3(3)(1).

[8] http://kgd.gov.kz/sites/default/files/pages/informacionnoe_pismo_0.docx

[9] Статья 7-3. Межстрановая отчетность, article 5-1(1).

[10] Статья 7-3. Межстрановая отчетность, article 5-1(4).

Kenya

1. Kenya was first reviewed during the 2017/2018 peer review. This report is supplementary to Kenya's 2017/2018 peer review report (OECD, 2018[1]). There is no filing obligation for a CbC report in Kenya yet.

Summary of key findings

2. Kenya does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Kenya take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

3. It is recommended that Kenya take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Kenya has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Kenya take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Kenya take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

6. It is however noted that Kenya will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Kenya does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. Kenya expects to implement the legislative and administrative requirements of Action 13 during 2019.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

8. Kenya does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2018 fiscal year.

9. It is recommended that Kenya take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

10. In respect of paragraph 8 of the terms of reference, Kenya does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Kenya. It is recommended that Kenya take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Kenya has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Kenya take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information. It is however noted that Kenya will not be exchanging CbC reports in 2019.

(b) Content of information exchanged

12. Kenya does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

13. Kenya does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

14. Kenya does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

15. Kenya does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Kenya does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

17. Kenya has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

18. Kenya has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

19. It is recommended that Kenya take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Kenya has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

20. Further, it is recommended that Kenya take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Kenya will not be exchanging CbC reports in 2019.

Part C: Appropriate use

21. Kenya does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Kenya to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place. It is however noted that Kenya will not be exchanging CbC reports in 2019.

Conclusion

22. There is no change to the conclusion in relation to the appropriate use for Kenya since the previous peer review. The recommendation for Kenya to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that Kenya will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Kenya take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Kenya take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisite and with which it has international agreement that allow the automatic exchange of information.
Part B	Exchange of information framework	It is recommended that Kenya take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Kenya take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Korea

1. Korea was first reviewed during the 2017/2018 peer review. This report is supplementary to Korea's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Korea commences in respect of fiscal years commencing on or after 1 April 2016.

Summary of key findings

2. Korea's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Korea has primary and secondary laws in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the scope and timing of local filing obligations.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. No changes were identified with respect to the effective implementation.

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for Korea since the previous peer review. Korea meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, Korea has 65 bilateral relationships in place, including those activated under the CbC MCAA, and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, Korea has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. Regarding Korea's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

11. Korea has procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged.

(c) Completeness of exchanges

12. Korea has an internal supervision mechanism in place to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

13. Korea has procedures in place to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

14. Korea has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

15. Korea has procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

16. Korea confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

17. Korea indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

18. Korea meets all of the terms of reference with regard to exchange of information.

Part C: Appropriate use

19. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

20. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use.

Conclusion

21. Korea meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework – limitation on local filing obligation	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Latvia

1. Latvia was first reviewed during the 2017/2018 peer review. This report is supplementary to Latvia's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Latvia commences in respect of reporting fiscal years starting on or after 1 January 2016.

Summary of key findings

2. Latvia's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2])**,** except for the following, which remain unchanged since the 2017/2018 review:

- the annual consolidated revenue threshold calculation rule which may deviate from the guidance issued by the OECD (although such deviation may be unintended, a technical reading of the provision could lead to local filing requirements inconsistent with the Action 13 minimum standard), and
- the absence of a provision whereby a single Constituent Entity of the same MNE Group may be designated to file the CbC report which would satisfy the local filing requirement of all the Constituent Entities.

3. Latvia's 2017/2018 peer review included a recommendation that Latvia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Latvia now has measures in place to ensure the appropriate use of information in all six areas identified in the OECD *Guidance on the Appropriate Use of Information contained in CbC Reports* (OECD, 2017[4]). The recommendation with respect to appropriate use issued in the 2017/2018 peer review is removed.

Part A: The domestic legal and administrative framework

4. Latvia has rules (primary law) in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations.[1]

(a) Parent entity filing obligation

5. Latvia's 2017/2018 peer review included a recommendation that Latvia amend or otherwise clarify its rule for the calculation of the annual consolidated group revenue threshold calculation so that it applies in a manner consistent with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Latvia, when local filing requirements are applicable. This recommendation remains in place.

(b) Scope and timing of parent entity filing

6. No changes were identified with respect to the scope and timing of parent entity filing.[2]

(c) Limitation on local filing obligation

7. Latvia's 2017/2018 peer review included a recommendation on the absence of a provision whereby a single Constituent Entity of the same MNE Group may be designated to file the CbC report which would satisfy the local filing requirement of all the Constituent Entities. This recommendation remains in place.

(d) Limitation on local filing in case of surrogate filing

8. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

9. Latvia's 2017/2018 peer review included a general monitoring point concerning the fact that was no specific process that would allow it to take appropriate measures in case Latvia is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Latvia has provided updated information, explaining that, in such a situation: the Latvian tax administration informs the taxpayer about the established discrepancies and requires the taxpayer to submit a CbC report or to correct it. Several structural departments of the tax administration may be involved in analysing particular non-compliance (Large Taxpayers Division of the Tax Department and if necessary also Tax Control Department). In case the taxpayer refuses to submit a CbC report or to correct it, the Latvian tax administration initiates the process of administrative offence. In view of this update and specific process, the monitoring point is removed.

10. No other changes were identified with respect to the effective implementation.

Conclusion

11. There is no change to the conclusion in relation to the domestic legal and administration framework for Latvia since the previous peer review. Latvia meets all the terms of reference relating to the domestic legal and administrative framework, with the exception of (i) the annual consolidated group revenue threshold (paragraphs 8(a) ii. of the terms of reference) and (ii) the provision whereby a single Constituent Entity may be designated to file the CbC report which would satisfy the local filing requirement of all Constituent Entities (paragraph 8(c) v. of the terms of reference).

Part B: The exchange of information framework

(a) Exchange of information framework

12. As of 31 May 2019, Latvia has 67 bilateral relationships in place, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Latvia has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[3] Regarding Latvia's

exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

13. Latvia has written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these procedures.

(c) Completeness of exchanges

14. Latvia has an automated process in place that is intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these procedures.

(d) Timeliness of exchanges

15. Latvia has an automated process in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these procedures.

16. Despite these procedures, Latvia indicates that a number of CbC reports were exchanged late:. This lateness was because of a technical issue which is now fixed so no recommendation is required.

(e) Temporary suspension of exchange or termination of QCAA

17. Latvia has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

18. Latvia has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

19. Latvia confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) has not confirmed the format that will be used for the international exchange of CbC reports for the international exchange of CbC reports.

(h) Method for transmission

20. Latvia indicates that it uses the Common Transmission System to exchange CbC reports.[4]

Conclusion

21. Latvia has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the

exchange of information framework. Latvia meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

22. The 2017/2018 peer review included a recommendation that Latvia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Latvia now has measures in place to ensure the appropriate use of information in all six areas identified in the OECD *Guidance on the Appropriate use of Information contained in CbC Reports* (OECD, 2017[4]). Latvia has provided details in relation to these measures, enabling it to answer "yes" to the additional questions on appropriate use. The recommendation on appropriate use is therefore removed.

Conclusion

23. Latvia meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework - Parent entity filing obligation annual consolidated group revenue threshold	It is recommended that Latvia amend or otherwise clarify that the annual consolidated group revenue threshold calculation rule applies without prejudice of the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Latvia.
Part A	Domestic legal and administrative framework - Limitation on local filing	It is recommended that Latvia amend its legislation or otherwise take steps to ensure that local filing is only required in the circumstances contained in the terms of reference.
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of the "Regulations regarding Country-by-Country report of multinational enterprise group" (Regulation No. 397 adopted on 4 July 2017, issued pursuant to Section 7, paragraph four, Section 15, paragraph nine, and Section 18, paragraph three of the Law on taxes and duties).

[2] Latvia's 2017/2018 peer review included a monitoring point relating to the interpretation of the definitions of "Revenues – Related Party". This monitoring point remains in place.

[3] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[4] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

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Liberia

1. This report is Liberia's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. There is no filing obligation for a CbC report in Liberia yet.

Summary of key findings

2. Liberia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Liberia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

3. It is recommended that Liberia take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which it has international agreement which allow for the automatic exchange of information.

4. It is recommended that Liberia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Liberia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

6. It is however noted that Liberia will not be exchanging CbC reports in 2019 and intends to implement legislation in 2019.

Part A: The domestic legal and administrative framework

7. Liberia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. Liberia has supplied draft legislation which is in line with the Action 13 minimum standard and intends to implement the legislation in the latter part of 2019.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

8. Liberia does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2018 fiscal year.

9. It is recommended that Liberia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

10. In respect of paragraph 8 of the terms of reference, Liberia does not yet have a domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Liberia. It is recommended that Liberia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Liberia has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Liberia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which it has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

12. Liberia does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

13. Liberia does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

14. Liberia does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

15. Liberia does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Liberia does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

17. Liberia has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

18. Liberia has not confirmed that an appropriate encryption method and method for electronic data transmission are in place.

Conclusion

19. It is recommended that Liberia take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Liberia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

20. Further, it is recommended that Liberia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Liberia will not be exchanging CbC reports in 2019.

Part C: Appropriate use

21. Liberia does not yet have measures in place relating to appropriate use. It is recommended that Liberia to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

22. It is recommended that Liberia take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information. It is however noted that Liberia will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Liberia take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Liberia take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Liberia have an international agreement which allows for automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Liberia take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Liberia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Liechtenstein

1. Liechtenstein was first reviewed during the 2017/2018 peer review. This report is supplementary to Liechtenstein's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Liechtenstein applies to reporting fiscal years commencing on or after 1 January 2017. Liechtenstein also allows its MNE groups to file a CbC report on a voluntary basis, for reporting fiscal years beginning between 1 January 2016 and 31 December 2016 (i.e. "parent surrogate filing").

Summary of key findings

2. Liechtenstein's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Liechtenstein has primary law and secondary law in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations. No guidance has been published.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.[1]

(e) Effective implementation

8. Since its 2017/2018 review, Liechtenstein has introduced additional notification requirements in the annual tax return form for resident Constituent Entities of foreign MNE groups (in addition to the pre-existing notification requirements for Ultimate Parent Entities and Surrogate Parent Entities). No other changes were identified with respect to the effective implementation.

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for Liechtenstein since the previous peer review. Liechtenstein

meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, Liechtenstein has 66 bilateral relationships activated under the CbC MCAA and bilateral QCAAs. Liechtenstein has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[2] Regarding Liechtenstein's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

11. Liechtenstein has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

12. Liechtenstein has processes and written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

13. Liechtenstein has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

(e) Temporary suspension of exchange or termination of QCAA

14. Liechtenstein has processes and written guidance in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

15. Liechtenstein has processes and written guidance in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

16. Liechtenstein confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

17. Liechtenstein indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

18. Liechtenstein has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Liechtenstein meets all the terms of reference regarding the exchange of information.

Part C: Part C: Appropriate use

19. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

20. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns in this regard.

Conclusion

21. Liechtenstein meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Liechtenstein's 2017/2018 peer review included a general monitoring point to ensure that legislation setting out local filing requirements is not interpreted as applying to situations where there is no current international agreement between Liechtenstein and the residence jurisdiction of the Ultimate Parent Entity (which is not permitted under the terms of reference).This monitoring point remains in place.

[2] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Lithuania

1. Lithuania was first reviewed during the 2017/2018 peer review. This report is supplementary to Lithuania's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Lithuania applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Lithuania's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Lithuania has primary and secondary laws in place for implementing the BEPS Action 13 minimum standard[1] establishing the necessary requirements, including the filing and reporting obligations. Since the 2017/2018 peer review, Lithuania has provided an update with respect to the processes it has in place to ensure effective implementation.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.[2]

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.[3]

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. Lithuania's 2017/2018 peer review included a general monitoring point concerning the fact that was no specific process that would allow it to take appropriate measures in case Lithuania is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Lithuania has provided updated information, explaining that, in such a situation, the person from Tax Obligation Department in charge of the exchange of CbC reports would manually check the CbC reports and contact all Reporting Entities in case of failure to submit the report or in case any errors or problems are identified. State Tax Administration can issue an order to the

Reporting Entity forcing the submission of the CbC report. If the Reporting Entity does not comply with the order, administrative penalties are issued. In view of this update and specific process, the monitoring point is removed.

9. No other changes were identified with respect to the effective implementation.

Conclusion

10. There is no change to the conclusion in relation to the domestic legal and administration framework for Lithuania since the previous peer review. Lithuania meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Lithuania has 67 bilateral relationships in place, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Lithuania has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[4] Regarding Lithuania's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. Lithuania has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

13. Lithuania has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

14. Lithuania has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

(e) Temporary suspension of exchange or termination of QCAA

15. Lithuania has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Lithuania has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA

or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

17. Lithuania confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

Lithuania indicates that it uses the Common Transmission System to exchange CbC reports.[5]

Conclusion

18. Lithuania has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Lithuania meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

19. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

20. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

21. Lithuania meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of CbC reporting introduced in Lithuania by article 61 of the Republic of Lithuania Law on Tax Administration The Republic of Lithuania Law on Tax Administration "Submission of the Reports on Members of Multinational Enterprise Groups": www.e-tar.lt/portal/lt/legalAct/TAR.3EB34933E485/rDLYSrNhXL (available in Lithuanian text). Secondary law consists of the rules for the provision of information necessary for implementation of the international cooperation obligations concerning exchange of MNE Groups information approved by Order No VA-47 of the Head of the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania of 31 May 2017: www.e-tar.lt/portal/lt/legalAct/0c16071045ca11e7846ef01bfffb9b64 (available in Lithuanian text).

[2] Lithuania's 2017/2018 peer review included a monitoring point relating to the definition of "International Corporation Group". This monitoring point remains in place.

[3] Lithuania's 2017/2018 peer review included a monitoring point relating to the interpretation of the definitions of "Revenues – Related Party". This monitoring point remains in place.

[4] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction

[5] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

Luxembourg

1. Luxembourg was first reviewed during the 2017/2018 peer review. This report is supplementary to Luxembourg's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Luxembourg commences in respect of fiscal years beginning on or after 1 January 2016.

Summary of key findings

2. Luxembourg's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Luxembourg has primary law in place for implementing the BEPS Action 13 minimum standard[1] (the "CbC Act") establishing the necessary requirements, including the filing and reporting obligations. Guidance has also been published.[2]

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. Luxembourg's 2017/2018 peer review included a monitoring point concerning the lack of a specific process. The process was to allow appropriate measures to be taken in case Luxembourg is notified by another jurisdiction that such other jurisdiction believes that an error may have led to incorrect or incomplete information reported by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Luxembourg has provided updated information, explaining that, in case that the Luxembourg Tax Administration detected errors in the CbC report, a member of the CbC team would resend the report in case it is a mere technical issue. In case the issue concerns the content of the declaration, the team would contact the taxpayer to fill an amended CbC report. In addition, the taxpayer would have to explain the facts that led to the filing of an erroneous statement. If necessary, fines

will be imposed. Once a corrected CbC report has been submitted, it will then be exchanged with other jurisdictions shortly thereafter. In view of this update and specific process, the monitoring point is removed.

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for Luxembourg since the previous peer review. Luxembourg meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, Luxembourg has 68 bilateral relationships, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Luxembourg has taken steps to have Qualifying Competent Authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[3] Regarding Luxembourg's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

11. Luxembourg has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

12. Peer input was received from one jurisdiction in relation to the content of information exchanged. No concerns were reported in respect of the content of information exchanged.

(c) Completeness of exchanges

13. Luxembourg has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

14. Peer input was received from one jurisdiction in relation to the completeness of exchanges. No concerns were reported in respect of the completeness of exchanges.

(d) Timeliness of exchanges

15. Luxembourg has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

16. Peer input was received from one jurisdiction in relation to the timeliness of exchanges. No concerns were reported in respect of the timeliness of exchanges.[4].

(e) Temporary suspension of exchange or termination of QCAA

17. Luxembourg has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried

out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

18. Peer input was received from one jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. No concerns were reported in respect of the temporary suspension of exchange or termination of QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Luxembourg has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

20. Peer input was received from one jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. No concerns were reported in respect of consultation with the other Competent Authority before determining systemic failure or significant non-compliance.

(g) Format for information exchange

21. Luxembourg confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[6]) for the international exchange of CbC reports.

22. Peer input was received from one jurisdiction in relation to the format for information exchange. No concerns were reported in respect of the format of information exchange.

(h) Method for transmission

23. Luxembourg indicates that it uses the Common Transmission System to exchange CbC reports.[5]

24. Peer input was received from one jurisdiction in relation to the method for transmission. No concerns were reported in respect of the method used for transmission.

Conclusion

25. Luxembourg has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Luxembourg meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

26. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

27. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. No concerns were reported in respect of appropriate use.

Conclusion

28. Luxembourg meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of the Law of 23 December 2016 (the "CbC Act") which transposed the European Union (EU) Council Directive 2016/881/EU of 25 May 2016 relating to the automatic and mandatory exchange of information in the tax field concerning country-by-country reporting for multinational enterprise groups. Luxembourg also indicates that the list of jurisdictions subject to CbC reporting will be drawn up by the Grand-Ducal Regulation (Article 4 (2) of the CbC Act).

[2] Guidance was issued in the form of FAQs: www.impotsdirects.public.lu/fr/echanges_electroniques/CbCR/FAQ.html.

[3]: No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[4] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

[5] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

Macau (China)

1. Macau was first reviewed during the 2017/2018 peer review. This report is supplementary to Macau's 2017/2018 peer review report (OECD, 2018[1]). There is no filing obligation for a CbC report in Macau yet.

Summary of key findings

2. Macau does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Macau take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Macao take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which it has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Macau take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework.

5. It is recommended that Macau take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Macau will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Macau does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. Macau indicates that the Income Tax Law is being amended and the regulation is being drafted to provide the legal basis for the CbC Reporting implementation. Macau estimates that the CbC reporting requirements will be implemented for fiscal years commencing on or after 1 January 2019.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. No changes were identified with respect to the effective implementation.

Conclusion

13. There is no change in relation to the domestic legal and administration framework for Macau since the previous peer review. The recommendation in the 2017/18 peer review, that Macau take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, remains in place.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, Macau has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Macau take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Macau has an international exchange of information agreement in effect that allows for the automatic exchange of tax information

(b) Content of information exchanged

15. Macau does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. Macau does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

17. Macau does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

18. Macau does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Macau does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to

making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

20. Macau has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

21. Macau has not provided details of an appropriate encryption method and method for electronic data transmission.

Conclusion

22. The recommendation in the 2017/2018 peer review for Macau to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Macau has an international exchange of information agreement in effect that allows for the automatic exchange of tax information, remains in place.

23. Further, it is recommended that Macau take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.[1] It is however noted that Macau will not be exchanging CbC reports in 2019.

Part C: Appropriate use

24. Macau does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Macau to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place. It is however noted that Macau will not be exchanging CbC reports in 2019.

Conclusion

25. There is no change to the conclusion in relation to the appropriate use for Macau since the previous peer review. The recommendation for Macau to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that Macau will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Macau take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Macau take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Macau has an international exchange of information agreement in effect that allows for the automatic exchange of tax information
Part B	Exchange of information framework	It is recommended that Macau take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Macau take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Malaysia

1. Malaysia was first reviewed during the 2017/2018 peer review. This report is supplementary to Malaysia's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Malaysia applies in respect of reporting fiscal years commencing on 1 January 2017. Malaysia also allows its MNE groups to file a CbC report on a voluntary basis, for reporting fiscal years beginning between 1 January 2016 and 31 December 2016.

Summary of key findings

2. Malaysia's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

3. Malaysia's 2017/2018 peer review report recommended that Malaysia publish detailed guidelines on the content and filing of CbC reports as soon as possible. Malaysia has published detailed guidance[1] and the recommendation is therefore removed.

4. Malaysia's 2017/2018 peer review included a recommendation that Malaysia take steps to introduce administrative mechanisms to enforce compliance by Ultimate Parent Entities in Malaysia, which do not rely on a person first being convicted of an offence. It is now clear that Malaysia has an administrative process to levy a fine for non-compliance prior to and outside of the conviction process, and so the recommendation is removed.

5. Malaysia's 2017/2018 peer review included a recommendation that Malaysia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Malaysia now has measures in place to ensure the appropriate use of information, the recommendation with respect to appropriate use issued in the 2017/2018 peer review is removed.

Part A: The domestic legal and administrative framework

6. Malaysia has primary and secondary laws in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.

(a) Parent entity filing obligation

7. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

8. The 2017/2018 peer review report recommended that Malaysia publish detailed guidelines on the content and filing of CbC reports as soon as possible. Malaysia has published detailed guidance[2] and the recommendation is therefore removed.

(c) Limitation on local filing obligation

9. No changes were identified with respect to local filing. Malaysia does not have local filing rules.

(d) Limitation on local filing in case of surrogate filing

10. No changes were identified with respect to local filing. Malaysia does not have local filing rules.

(e) Effective implementation

11. Malaysia's 2017/2018 peer review included a recommendation that Malaysia take steps to introduce administrative mechanisms to enforce compliance by Ultimate Parent Entities in Malaysia, which do not rely on a person first being convicted of an offence. Malaysia is able to levy a fine (called a compound) via a compound letter to an MNE who has not submitted a report or notification or has submitted an incorrect return. This procedure allows the MNE to pay the compound and file the return or correct the incorrect return. Legal action, which may result in a penalty upon conviction, is commenced only if the compound is not paid and/or the return not submitted or corrected. It is now clear that Malaysia has an administrative process to levy a fine for non-compliance prior to and outside of the conviction process and the recommendation is therefore removed.

12. Malaysia's 2017/2018 peer review identified that it had no specific processes to take appropriate measures in case it is notified by another jurisdiction that it has reason to believe with respect to a reporting entity that an error may have led to incorrect or incomplete information reporting or that there is non-compliance of a reporting entity with respect to its obligation to file a CbC report. No recommendation was made as filing was not due to commence, but the point was to be monitored. Malaysia has implemented a process to take appropriate measures so the monitoring point is removed.

Conclusion

13. Malaysia meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, Malaysia has 63 bilateral relationships, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Malaysia has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. Regarding Malaysia's exchange of information framework, no inconsistencies with the terms of reference were identified.[3]

(b) Content of information exchanged

15. Malaysia has procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these procedures.

(c) Completeness of exchanges

16. Malaysia has procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these procedures.

(d) Timeliness of exchanges

17. Malaysia has procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

18. Malaysia has processes or written procedures in place to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Malaysia has procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

20. Malaysia confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

21. Malaysia indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

22. Malaysia has the necessary processes and written procedures in place to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

Part C: Appropriate use

23. The 2017/2018 peer review included a recommendation that Malaysia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Malaysia now has measures in place to ensure the appropriate use of information in all six areas identified in the OECD *Guidance on the Appropriate use of Information contained in CbC Reports* (OECD, 2017[4]). Malaysia has provided details in relation to these measures, enabling it to answer "yes" to the additional questions on appropriate use. The recommendation on appropriate use is therefore removed.

Conclusion

24. Malaysia meets all the terms and conditions in relation to appropriate use.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework – limitation on local filing obligation	-
Part B	Exchange of information framework	-.
Part C	Appropriate use	-

Notes

[1] http://lampiran1.hasil.gov.my/pdf/pdfam/CbCR_Guidelines_2017_NL.pdf

[2] http://lampiran1.hasil.gov.my/pdf/pdfam/CbCR_Guidelines_2017_NL.pdf

[3] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Maldives

1. Maldives was first reviewed during the 2017/2018 peer review. This report is supplementary to Maldives's 2017/2018 peer review report (OECD, 2018[1]). There is no filing obligation for a CbC report in Maldives yet.

Summary of key findings

2. Maldives does not yet have legislation in place for implementing the BEPS Action 13 minimum standard it is recommended that Maldives take steps to finalize its domestic legal and administrative framework in relation to CbC requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Maldives take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which it has international agreements for the automatic exchange of information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Maldives have in place the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework.

5. It is recommended that Maldives take steps to ensure that the appropriate use condition is met ahead of the first exchanges of CbC reports. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Maldives will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Maldives does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. Maldives indicates that Tax Administration Act is being amended to provide the legal basis for the CbC Reporting implementation. Maldives estimates that the amendment will come into effect during the year 2019.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. No changes were identified with respect to the effective implementation.

Conclusion

13. There is no change in relation to the domestic legal and administration framework for Maldives since the previous peer review. The recommendation in the 2017/18 peer review, that Maldives take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, remains in place.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, Maldives has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Maldives take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Maldives has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

15. Maldives does not yet have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. Maldives does not yet have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

17. Maldives does not yet have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

18. Maldives does not yet have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Maldives does not yet have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-

compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

20. Maldives has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

21. Maldives has not confirmed that an appropriate encryption method and method for electronic data transmission are in place.

Conclusion

22. The recommendation in the 2017/2018 peer review for Maldives to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which it has international agreements for the automatic exchange of information. remains in place.

23. Further, it is recommended that Maldives take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Maldives will not be exchanging CbC reports in 2019.

Part C: Appropriate use

24. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review, that Maldives take steps to ensure that the appropriate use condition is met, remains in place. It is however noted that Maldives will not be exchanging CbC reports in 2019.

25. No information or peer input was received for the reviewed jurisdiction in respect of appropriate use.

Conclusion

26. There is no change to the conclusion in relation to the appropriate use for Maldives since the previous peer review. The recommendation for Maldives to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remain in place. It is however noted that Maldives will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Maldives finalize its domestic legal and administrative framework in relation to CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Maldives take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which it has international agreements for the automatic exchange of information.
Part B	Exchange of information framework	It is recommended that Maldives have in place the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Maldives take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Malta

1. Malta was first reviewed during the 2017/2018 peer review. This report is supplementary to Malta's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Malta commences in respect of fiscal years beginning on or after 1 January 2016.

Summary of key findings

2. Malta's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Malta has primary and secondary laws in place for implementing the BEPS Action 13 minimum standard[1] establishing the necessary requirements, including the filing and reporting obligations. Guidance has also been published.[2] Malta has provided an update with respect to the processes it has in place to ensure effective implementation.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. Malta's 2017/2018 peer review included a general monitoring point concerning the fact that there was no specific process that would allow it to take appropriate measures in case Malta is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Malta has provided updated information, explaining that, in such a situation, the Commissioner for Revenue will send an official notification to the Reporting Entity to request the correct/complete information. In the event that no reply is received to the Commissioner's request, not only would the Reporting Entity be liable to penalties, but there is also the possibility to initiate

criminal proceedings by making a formal request to the Commissioner of Police. In view of this update and specific process, the monitoring point is removed.

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for Malta since the previous peer review. Malta meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, Malta has 66 bilateral relationships, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Malta has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[3] Regarding Malta's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

11. Malta has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

12. Peer input was received from one jurisdiction in relation to the content of information exchanged. There are no concerns to be reported in respect of the content of information exchanged.

(c) Completeness of exchanges

13. Malta has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

14. Peer input was received from one jurisdiction in relation to the completeness of exchanges. There are no concerns to be reported in respect of the completeness of exchanges.

(d) Timeliness of exchanges

15. Malta has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

16. Peer input was received from one jurisdiction in relation to the completeness of exchanges. There are no concerns to be reported in respect of the timeliness of exchanges:[4].

(e) Temporary suspension of exchange or termination of QCAA

17. Malta has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

18. Peer input was received from one jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. There are no concerns to be reported in respect of the temporary suspension of exchange or termination of QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Malta has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

20. Peer input was received from one jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. There are no concerns to be reported in respect of consultation with the other Competent Authority before determining systemic failure or significant non-compliance.

(g) Format for information exchange

21. Malta confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

22. Peer input was received from one jurisdiction in relation to the format for information exchange. There are no concerns to be reported in respect of the format of information exchange.

(h) Method for transmission

23. Malta indicates that it uses the Common Transmission System to exchange CbC reports.[5]

24. Peer input was received from one jurisdiction in relation to the method for transmission. There are no concerns to be reported in respect of the method used for transmission.

Conclusion

25. Malta has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

Part C: Appropriate use

26. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

27. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

28. Malta meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of Articles 76 and 96 of the Income Tax Act: www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8658 and Article 10A of the Income Tax Management Act: www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8841. Secondary law consists of the "Cooperation With Other jurisdiction on Tax Matters Regulations": http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11696&l=1 as amended by means of Legal Notice 344 of 2017 entitled "Cooperation with Other Jurisdiction on Tax Matters (Amendment) Regulations, 2017": http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11696&l=1.

[2] See guidance entitled "Guidelines for the implementation of the EU Council Directive 2016/881/EU of 25 May 2016 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (DAC4) in Malta and the 2015 Final Report on Action 13 of the OECD/G20 Base Erosion and Profit Shifting Project" at https://cfr.gov.mt/en/inlandrevenue/itu/Documents/CbCR%20Guidelines_Version%204.pdf

[3] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[4] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

[5] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

Mauritius

1. Mauritius was first reviewed during the 2017/2018 peer review. This report is supplementary to Mauritius's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Mauritius applies to reporting fiscal years commencing on or after 1 July 2018.

Summary of key findings

2. Mauritius's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

3. Mauritius's 2017/2018 peer review included a recommendation that Mauritius take steps to finalise its domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible. Since the last peer review, Mauritius has introduced secondary legislation in order to implement CbC Reporting requirements. The recommendation in relation to its domestic and legal framework is removed.

4. Mauritius's 2017/2018 peer review included a recommendation that Mauritius take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Mauritius now has measures in place to ensure the appropriate use of information in all six areas identified in the OECD Guidance on the appropriate use of information contained in CbC Reports. The recommendation with respect to appropriate use issued in the 2017/2018 peer review is removed.

Part A: The domestic legal and administrative framework

5. Mauritius has primary law and secondary law (hereafter the "CbCR regulations") in place to implement the BEPS Action 13 minimum standard establishing the necessary requirements including the filing and reporting obligations.[1]

(a) Parent entity filing obligation

6. Mauritius has primary and secondary laws which imposes a CbC filing obligation on Ultimate Parent Entities of MNE Groups which have a consolidated group revenue above a certain threshold, whereby all required Constituent Entities of the MNE Group are included in the CbC report and no entity is excluded from CbC Reporting other than permitted by the Action 13 report.

7. No inconsistencies were identified with respect to Mauritius's domestic legal framework in relation to the parent entity filing obligation.[2]

(b) Scope and timing of parent entity filing

8. The first filing obligation for a CbC report in Mauritius commences in respect of fiscal years beginning on or after 1 July 2018.[3] The CbC report must be filed within 12 months of the last day of the reporting fiscal year of the MNE Group.[4]

9. No inconsistencies were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. Mauritius does not apply or plan to introduce local filing.

(d) Limitation on local filing in case of surrogate filing

11. Mauritius does not apply or plan to introduce local filing

(e) Effective implementation

12. Mauritius has legal mechanisms in place to enforce compliance with the minimum standard: there are notification mechanisms in place that apply to a Mauritian entity.[5] There are also penalties in place in relation to its CbC reporting obligations: (i) penalties for failure to file a CbC report and late filing and (ii) penalties for inaccurate information which Mauritius intends to detail through amended CbCR Regulations,[6] which are expected to be in force before the end of June 2019. As Mauritius is not exchanging CbC reports in 2019, no recommendation is made but this aspect will be monitored.

13. There are no specific processes in place that would allow appropriate measures in case Mauritius is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reported by a Reporting Entity or that a Reporting Entity is failing to comply with respect to CbC reporting obligations. As no exchange of CbC reports has yet occurred, no recommendation is made but this aspect will be further monitored.

Conclusion

14. Mauritius's 2017/2018 peer review included a recommendation that Mauritius take steps to finalise its domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible. Mauritius now has the secondary law in place to impose and enforce CbC requirements. The recommendation with respect to domestic legal and administrative framework issued in the 2017/2018 peer review is removed. Mauritius meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

15. As of 31 May 2019, Mauritius has 65 bilateral relationships in place for the exchange of CbC reports, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of tax information, Mauritius has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. Regarding Mauritius's exchange of information framework, no inconsistencies with the terms of reference were identified.[7]

(b) Content of information exchanged

16. Mauritius has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

17. Mauritius has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

18. Mauritius has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these procedures.

(e) Temporary suspension of exchange or termination of QCAA

19. Mauritius has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

20. Mauritius has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

21. Mauritius confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

22. Mauritius indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

23. Mauritius's 2017/2018 peer review included a recommendation that Mauritius implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Mauritius now has the necessary processes in place. As such, the recommendation in relation to the exchange of information is removed. Mauritius meets all the terms of reference regarding the exchange of information. It is however noted that Mauritius will not be exchanging CbC reports in 2019.

Part C: Appropriate use

The 2017/2018 peer review included a recommendation that Mauritius take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Since the 2017/2018 peer review, Mauritius has provided details in relation to these measures, enabling it to answer "yes" to the additional questions on appropriate use. In light of the

update provided by Mauritius, the recommendation on appropriate use is removed. There are no concerns to be reported for Mauritius in respect of the appropriate use condition.

Conclusion

24. Mauritius meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of Section 76 of the Income Tax Act as amended by the Finance Act of 24July 2017 available at www.mra.mu/download/ITAConsolidated.pdf. Secondary law consisting of the Income Tax (Country-by-Country Reporting) Regulations 2018 (hereafter the " CbCR Regulations") were gazetted on 19 February 2018 and available at www.mra.mu/download/GNno20of2018IncomeTaxReg(countryBycountryReporting).pdf. Mauritius is currently in the process of amending the CbCR Regulations ("draft amended CbCR Regulations") to clarify some of the CbCR provisions.

[2] The draft amended CbCR Regulations refers to an amended definition of "Fiscal Year" under Article 2 to replace "Ultimate Parent Entity" by "Reporting Entity" to include CbCR filing by a Surrogate Parent Entity.

[3] See Article 9 of the CbCR Regulations.

[4] See Article 6 of the CbCR Regulations.

[5] See Article 4 of the CbCR Regulations.

[6] Based on Article 7A of the draft amended CbCR Regulations: 1) Any person who fails to comply with the provisions of the CbCR Regulations is liable to a penalty of 5,000 rupees. 2) Where the failure to comply continues, the person will be liable to a further penalty of 10,000 rupees per month or part of the month during which the failure continues, for an aggregate not exceeding 120,000 rupees. 3) A person will be liable to a penalty not exceeding 50,000 rupees where the person provides inaccurate information.

[7] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Mexico

1. Mexico was first reviewed during the 2017/2018 peer review. This report is supplementary to Mexico's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Mexico commences in respect of periods commencing on or after 1 January 2016.

Summary of key findings

2. Mexico's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Mexico has primary and secondary laws in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.[1]

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the parent entity filing obligation.[2]

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.[3]

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.[4]

(e) Effective implementation

8. No changes were identified with respect to the effective implementation.[5]

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for Mexico since the previous peer review. Mexico meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, Mexico has 65 bilateral relationships, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international

exchange of information agreements that allow automatic exchange of information, Mexico has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[6] Regarding Mexico's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

11. Mexico has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these procedures.

(c) Completeness of exchanges

12. Mexico has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these procedures.

(d) Timeliness of exchanges

13. Mexico has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these procedures.

(e) Temporary suspension of exchange or termination of QCAA

14. Mexico has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

15. Mexico has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those procedures.

(g) Format for information exchange

16. Mexico confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

17. No information or peer input was received for Mexico in relation to the format for information exchange. There are no concerns to be reported in respect of the format of information exchange

(h) Method for transmission

18. Mexico indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

19. Mexico has in place the necessary processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Mexico meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

20. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

21. No information or peer input was received for Mexico suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

22. Mexico meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Mexico's 2017/2018 peer review included a general monitoring point with respect to the annual consolidated group revenue threshold under article 76-A, paragraph III.c.6. of the Mexican Income Tax Law, which may be inconsistent with paragraph 8 a) ii. of the terms of reference, as it may generate fluctuations from year to year on the threshold to require the filing of CbC reports. Mexico indicates that the sole purpose of this provision is to have a legal vehicle in order change the threshold if such change arises from the 2020 revision. Mexico confirms that there were no yearly fluctuations to the annual consolidated group revenue threshold under article 76-A during the year in review. This monitoring point remains in place.

[2] Mexico's 2017/2018 peer review included a monitoring point relating to the definition of "number of employees" in its legislation. The definition in Mexico's legislation does not mirror the Action 13 Report's specific instructions by not providing flexibility to taxpayers to report independent contractors as employees. However, this does not seem to raise any significant concern, taking into account the particular domestic context as described by Mexico. Mexico confirms that the definition of "number of employees" remains as established since it is intended to address specific issues related to certain tax planning set-ups relevant in the Mexican context. This monitoring point remains in place.

[3] Mexico's 2017/2018 peer review included a general monitoring point with respect to the local filing conditions. The beginning of the timeframe for the tax authority to require CbC Report under local filing requirements is not express in the legislation. Mexico confirms that CbC reports will not be requested under local filing requirements before a reasonable timeframe. Mexico confirms that local filing will be applied in line with paragraph 60 of the Action 13 Report and that this will be clarified in an internal manual for tax inspectors in order to ensure that local filing can only be required in the circumstances defined by the minimum standard and terms of reference. Mexico confirms that the internal manual deals with local filing in line with paragraph 60 of the Action 13 Report. This monitoring point remains in place.

[4] Mexico's 2017/2018 peer review included a general monitoring point with respect to the limitation on local filing in case of surrogate filing. Mexico indicates that even though there is no express limitation, if the conditions in the terms of reference are met, the deactivation of local filing will apply. Mexico confirms that the limitation on local filing in case of surrogate filing will be clarified in an internal manual for tax inspectors in order to ensure that local filing will be deactivated in the circumstances defined in terms of reference. Mexico confirms that the internal manual deals with local filing and its deactivation in line with paragraph 60 of the Action 13 Report and the Terms of Reference. This monitoring point remains in place.

[5] Mexico's 2017/2018 peer review included a general monitoring point relating to processes that would allow Mexico to take appropriate measures in case it is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete

information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This monitoring point remains in place.

[6] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Monaco

1. Monaco was first reviewed during the 2017/2018 peer review. This report is supplementary to Monaco's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Monaco commences in respect of periods commending on or after 1 January 2018.

Summary of key findings

2. Monaco's legal and domestic framework for implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

3. It is recommended to have the necessary processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

4. Monaco's 2017/2018 peer review included a recommendation that Monaco take steps to have qualifying competent authority arrangements in place with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Monaco has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. These agreement are now in place and the recommendation is removed.

5. Monaco's 2017/2018 peer review included a recommendation that Monaco take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Monaco now has measures in place to ensure the appropriate use of information in all six areas identified in the OECD *Guidance on the Appropriate Use of Information contained in CbC Reports* (OECD, 2017[4]). The recommendation with respect to appropriate use issued in the 2017/2018 peer review is removed.

Part A: The domestic legal and administrative framework

6. Monaco has rules (primary law)[1] in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations.

(a) Parent entity filing obligation

7. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

8. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

9. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

10. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

11. Monaco's 2017/2018 peer review included a monitoring point concerning the fact that there was no specific process that would allow it to take appropriate measures in case Monaco is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Monaco has provided updated information, explaining that, in case that errors are detected in the CbC report, they would contact the taxpayer to fill an amended CbC report. Once a corrected CbC report has been submitted, it will then be exchanged with other jurisdictions shortly thereafter. In view of this update and specific process, the monitoring point is removed.

Conclusion

12. There is no change to the conclusion in relation to the domestic legal and administration framework for Monaco since the previous peer review. Monaco meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

13. Monaco's 2017/2018 peer review included a recommendation that Monaco take steps to have qualifying competent authority arrangements in place with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Monaco has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. These agreement are now in place and the recommendation is removed

14. As of 31 May 2019, Monaco has 58 bilateral relationships in place for the exchange of CbC reports activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, Monaco has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[2] Regarding Monaco's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

15. Monaco has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these procedures.

(c) Completeness of exchanges

16. Monaco has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It is recommended that Monaco take steps to implement such procedures.

(d) Timeliness of exchanges

17. Monaco has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It is recommended that Monaco take steps to implement such procedures.

(e) Temporary suspension of exchange or termination of QCAA

18. Monaco does not have processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It is recommended that Monaco take steps to implement such procedures. Monaco notes that these processes will be implemented in due course.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Monaco does not have processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It is recommended that Monaco take steps to implement such procedures. Monaco notes that these processes will be implemented in due course.

(g) Format for information exchange

20. Monaco confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

21. Monaco indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

22. It is recommended that Monaco take steps to implement processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

Part C: Appropriate use

The 2017/2018 peer review included a recommendation that Monaco take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Since the 2017/2018 peer review, Monaco has provided details in relation to these measures, enabling it to answer "yes" to the additional questions on appropriate use. In light of the update provided by Monaco the recommendation on appropriate use is removed.

Conclusion

23. Monaco meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	It is recommended that Monaco take steps to have all the necessary processes and written procedures in place to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	-

Notes

[1] Monaco's primary law for CbC Reporting consists of the Sovereign Ordonnance No. 6.713 of 14 December 2017 implementing the Multilateral Agreement between Competent Authorities on the exchange of Country-by-Country Report.

[2] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Mongolia

1. This report is Mongolia's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. There is no filing obligation for a CbC report in Mongolia yet.

Summary of key findings

2. Mongolia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Mongolia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

3. It is recommended that Mongolia take steps to put QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Mongolia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Mongolia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

6. It is however noted that Mongolia will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Mongolia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. Mongolia indicates that it intends to have legislation implementing the CbC reporting requirements in force in 2020.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

8. Mongolia does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2017 fiscal year.

9. It is recommended that Mongolia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

10. In respect of paragraph 8 of the terms of reference, Mongolia does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Mongolia. It is recommended that Mongolia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Mongolia has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Mongolia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Mongolia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

12. Mongolia does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

13. Mongolia does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

14. Mongolia does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

15. Mongolia does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Mongolia does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

17. Mongolia has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

18. Mongolia has not confirmed that an appropriate encryption method and method for electronic data transmission are in place.

Conclusion

19. It is recommended that Mongolia take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

20. Further, it is recommended that Mongolia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Mongolia will not be exchanging CbC reports in 2019.

Part C: Appropriate use

21. Mongolia does not yet have measures in place relating to appropriate use. It is recommended that Mongolia to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

22. It is recommended that Mongolia take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information. It is however noted that Mongolia will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Mongolia take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Mongolia take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information
Part B	Exchange of information framework	It is recommended that Mongolia take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Mongolia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Montserrat

1. This report is Montserrat's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. There is no filing obligation for a CbC report in Montserrat yet.

Summary of key findings

2. Montserrat does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Montserrat take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

3. It is recommended that Montserrat take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Montserrat has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Montserrat take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Montserrat take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

6. It is however noted that Montserrat will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Montserrat does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

8. Montserrat does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2018 fiscal year.

9. It is recommended that Montserrat take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

10. In respect of paragraph 8 of the terms of reference, Montserrat does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Montserrat. It is recommended that Montserrat take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Montserrat has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Montserrat take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Montserrat has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. It is however noted that Montserrat will not be exchanging CbC reports in 2019.

(b) Content of information exchanged

12. Montserrat does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

13. Montserrat does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

14. Montserrat does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

15. Montserrat does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Montserrat does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

17. Montserrat has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

18. Montserrat has not confirmed that an appropriate encryption method and method for electronic data transmission are in place.

Conclusion

19. It is recommended that Montserrat take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Montserrat has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

20. Further, it is recommended that Montserrat take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Montserrat will not be exchanging CbC reports in 2019.

Part C: Appropriate use

21. Montserrat does not yet have measures in place relating to appropriate use. It is recommended that Montserrat to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

22. It is recommended that Montserrat take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information. It is however noted that Montserrat will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Montserrat take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Montserrat take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Montserrat has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Montserrat take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Montserrat take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Netherlands

1. The Netherlands was first reviewed during the 2017/2018 peer review. This report is supplementary to The Netherlands's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in the Netherlands applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. The Netherlands's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. The Netherlands has primary and secondary laws in place for implementing the BEPS Action 13 minimum standard[1] establishing the necessary requirements, including the filing and reporting obligations. Guidance has also been published.[2] Since the 2017/2018 peer review, guidance has been updated. The Netherlands has provided an update with respect to the procedures it has in place to ensure effective implementation.

(a) Parent entity filing obligation

4. The Netherlands' 2017/2018 peer review included a monitoring point concerning the threshold used to determine an Excluded MNE Group. Since the 2017/2018 peer review, the Netherlands has updated national guidance[3] in a manner consistent with the terms of reference relating to the threshold used to determine an Excluded MNE Group. In view of this update, the monitoring point is removed.

5. No other changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

6. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

7. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

8. The Netherlands indicates that a legislative basis for voluntary parent surrogate filing has been provided[4] by the Corporate Income Act 1969 as per 1 January 2018. No other changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

9. The Netherlands' 2017/2018 peer review included a general monitoring point concerning the fact that was no specific process that would allow it to take appropriate measures in case the Netherlands is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, the Netherlands has issued a written procedure, explaining that, in such a situation, the Central Liaison Office (CLO) will forward the message to the coordinator of the CbC team within one week. The coordinator will assess the message and, if necessary, notify the Reporting Entity within one month. Subsequently, the CbC team will monitor the appropriate action taken by the Reporting Entity. In addition, the coordinator will determine which follow-up action is to be used (penalty or other means) in case of late filing. In view of this update and specific procedure, the monitoring point is removed.

10. No changes were identified with respect to the effective implementation.

Conclusion

11. There is no change to the conclusion in relation to the domestic legal and administration framework for The Netherlands since the previous peer review. The Netherlands meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

12. As of 31 May 2019, The Netherlands has 66 bilateral relationships in place, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, The Netherlands has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[5] Regarding The Netherlands's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

13. The Netherlands has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

14. Peer input was received from one jurisdiction in relation to the content of information exchanged. There are no concerns to be reported in respect of the content of information exchanged.

(c) Completeness of exchanges

15. The Netherlands has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

16. Peer input was received from one jurisdiction in relation to the completeness of exchanges. There are no concerns to be reported in respect of the completeness of exchanges.

(d) Timeliness of exchanges

17. The Netherlands has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

18. Despite these procedures, The Netherlands indicates that a few CbC reports were exchanged late:. These late exchanges were due to errors contained in the CbC reports submitted by Reporting Entities and the first exchanges where transmitted close to the deadline. The Netherlands indicates that any future errors will be discovered and corrected before the deadline. As such, no recommendation is required.

(e) Temporary suspension of exchange or termination of QCAA

19. The Netherlands has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

20. Peer input was received from one jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. There are no concerns to be reported in respect of the temporary suspension of exchange or termination of QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

21. The Netherlands has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

22. Peer input was received from one jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. There are no concerns to be reported in respect of consultation with the other Competent Authority before determining systemic failure or significant non-compliance.

(g) Format for information exchange

23. The Netherlands confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

24. Peer input was received from one jurisdiction in relation to the format for information exchange. There are no concerns to be reported in respect of the format of information exchange.

(h) Method for transmission

25. The Netherlands indicates that it uses the Common Transmission System to exchange CbC reports.[6]

26. Peer input was received from one jurisdiction in relation to the method for transmission. There are no concerns to be reported in respect of the method used for transmission.

Conclusion

27. The Netherlands has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. The Netherlands meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

28. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

29. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

30. The Netherlands meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of Chapter VIIA of the Corporate Income Tax Act 1969 (CITA): http://wetten.overheid.nl/BWBR0002672/2017-01-01#HoofdstukVIIa. Secondary law consists of Government Gazette No. 47457/2015, providing for regulations on additional transfer pricing documentation requirements: http://wetten.overheid.nl/BWBR0037475/2016-01-01.

[2] Guidance consists on the 2016 Manual for Filing CbC Reports which was replaced by the 2018 Manual for Filing CbC Reports, from the Tax and Customs Administration. The Netherlands indicates that this explains more details about CbC and contains instructions for filling out the fields in the notification portal and important remarks and is available at: https://gegevensportaal.belastingdienst.nl/portal/document/74/. In addition, the Netherlands published a Policy decision on notification aspects dated November 15, 2016, nr. DGBel 2016-0000184128M, Staatscourant (Official Gazette), November 21, 2016, nr. 63121, https://zoek.officielebekendmakingen.nl/stcrt-2016-63121.html.

[3] The Netherlands indicates that national guidance has been updated as follows: As set out in the Action 13 Report, the agreed threshold is EUR 750 million or a near equivalent amount in domestic currency as of January 2015. Provided that the jurisdiction of the Ultimate Parent Entity has implemented a reporting threshold that is a near equivalent of EUR 750 million in domestic currency as it was at January 2015, a MNE Group that complies with this local threshold will not be exposed to local filing in the Netherlands.

[4] See articles 34f and 34g of the Corporate Income Act 1969.

[5] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[6] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

New Zealand

1. New Zealand was first reviewed during the 2017/2018 peer review. This report is supplementary to New Zealand's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in New Zealand applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. New Zealand's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. New Zealand has existing powers in the Tax Administration Act 1994 which can be relied on to implement the BEPS Action 13 minimum standard. An update has been reported since the 2017/18 peer review: legislation addressing base erosion and profit shifting has been passed into law, including a specific provision on CbC reporting, with Royal assent received on 27 June 2018.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation. New Zealand's 2017/18 peer review included monitoring points which remain in place.[1] [2]

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. No changes were identified with respect to the effective implementation.[3]

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for New Zealand since the previous peer review. New Zealand meets all the terms of reference in relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, New Zealand has 65 bilateral relationships in place, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, New Zealand has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[4] Regarding New Zealand's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

11. New Zealand has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

12. New Zealand has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

13. New Zealand has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

(e) Temporary suspension of exchange or termination of QCAA

14. New Zealand has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

15. New Zealand has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

(g) Format for information exchange

16. New Zealand confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[6]) for the international exchange of CbC reports.

(h) Method for transmission

17. New Zealand indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

18. New Zealand has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. New Zealand meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

19. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

20. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use.

Conclusion

21. New Zealand meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] The definition of a "large multinational group" in the legislation does not include the "deemed listing provision" as required under the terms of reference.[1] However, New Zealand notes that the financial reporting requirements in New Zealand apply to large entities (including companies, partnerships and limited partnerships) regardless of whether they are listed on a stock exchange. A "large entity" is defined in the Financial Reporting Act 2013 as an entity that earns over NZD 30m of consolidated revenues (which is much lower than EUR 750m) or that have over NZD 60m of consolidated assets in the previous two years. New Zealand also confirms that in the very unlikely event that an entity did not prepare consolidated financial statements and would be considered as an "Ultimate Parent Entity" further to the "deemed listing provision" (as per paragraph 18.i. of the terms of reference), the existing powers of Section 17 of the Tax Administration Act 1994 will be relied on to request the information. This will be monitored.

[2] As New Zealand continues to rely on existing powers in the Tax Administration Act 1994 until legislation is finalised, and because the effectiveness of this system still relies on the fact that the Inland Revenue correctly identifies all New Zealand resident entities that are the Ultimate Parent Entity of an MNE group within the scope of CbC Reporting and issues a notification, the monitoring point in the 2017/2018 peer review relating to New Zealand's framework remains.

[3] New Zealand's 2017/2018 peer review included a general monitoring point relating to a specific process to that would allow to take appropriate measures in case New Zealand is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This monitoring point remains in place.

[4] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Nigeria

1. Nigeria was first reviewed during the 2017/2018 peer review. This report is supplementary to Nigeria's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Nigeria applies to reporting fiscal years commencing on or after 1 January 2018.

Summary of key findings

2. Nigeria's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]), except for the following:

- It is recommended that Nigeria take steps to amend its legislation or otherwise ensure that local filing requirements only apply in accordance with the terms of reference.

3. It is recommended that Nigeria have in place the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

4. It is however noted that Nigeria will not be exchanging CbC reports in 2019.

5. Nigeria's 2017/2018 peer review included a recommendation that Nigeria take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use conditions. Bilateral relationships are now in place so the recommendation is removed.

6. Nigeria's 2017/2018 peer review included a recommendation that Nigeria take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Nigeria is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. The recommendation is removed and it is not necessary for this peer review evaluation to reach any conclusion with respect to Nigeria's compliance with the terms of reference on appropriate use.

Part A: The domestic legal and administrative framework

7. Nigeria has primary law (hereafter the "regulations") in place for implementing the BEPS Action 13 minimum standard[1] establishing the necessary requirements, including the filing and reporting obligations. Since the 2017/2018 peer review, guidance has been published.[2] Nigeria has provided an update with respect to the processes it has in place to ensure effective implementation.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.[3]

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation. As Nigeria is included on the list of non-reciprocal jurisdictions, it is recommended that Nigeria take steps to amend its legislation or otherwise ensure that local filing requirements only apply in accordance with the terms of reference.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. Nigeria's 2017/2018 peer review included a general monitoring point concerning the fact that was no specific process to that would allow it to take appropriate measures in case Nigeria is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Nigeria has provided updated information, explaining that, in such a situation, the CbC Reporting Unit of International Tax Department will be responsible for notifying the obligated MNEs of failure to file and deficiencies in report filed, as well as levying penalties, as appropriate. The notification will be made within a maximum period of 7 days. The Policy and Programme Monitoring Department (PPMD) is responsible for monitoring compliance with set internal policies, standard, rules and processes. In view of this update and specific process, the monitoring point is removed.

13. No other changes were identified with respect to the effective implementation.

Conclusion

14. Nigeria has a domestic legal and administrative framework to impose and enforce CbC requirements on MNE Groups whose Ultimate Parent Entity is resident for tax purposes in Nigeria. Nigeria meets all the terms of reference relating to the domestic legal and administrative framework except for the local filing requirements. It is recommended that Nigeria take steps to amend its legislation or otherwise ensure that local filing requirements only apply in accordance with the terms of reference.

Part B: The exchange of information framework

(a) Exchange of information framework

15. It was recommended in the 2017/2018 peer review that Nigeria take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use conditions and which Nigeria have international agreements which allow for the automatic exchange of tax information. There are now bilateral relationships in place so the recommendation is removed.

16. As at 31 May 2019, Nigeria has 51 bilateral relationships activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, Nigeria has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[4] Regarding Nigeria's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

17. Nigeria does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged.

(c) Completeness of exchanges

18. Nigeria does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

19. Nigeria does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

20. Nigeria does not have process or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

21. Nigeria does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

22. Nigeria has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

23. Nigeria has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

24. The recommendation in Nigeria's 2017/2018 peer review that Nigeria take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use condition is removed.

25. It is recommended that Nigeria take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its

first exchanges of information. It is however noted that Nigeria will not be exchanging CbC reports in 2019.

Part C: Appropriate use

26. Nigeria's 2017/2018 peer review included a recommendation that Nigeria take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Since the 2017/2018 peer review, Nigeria has issued a guideline[5] and provided details in relation to these measures, enabling it to answer "yes" to the additional questions on appropriate use. As such, the recommendation with respect to appropriate use issued in the 2017/2018 peer review is removed.

Conclusion

27. Nigeria's 2017/2018 peer review included a recommendation that Nigeria take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Nigeria is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. The recommendation is removed and it is not necessary for this peer review evaluation to reach any conclusion with respect to Nigeria's compliance with the terms of reference on appropriate use.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Nigeria take steps to amend its legislation or otherwise ensure that local filing requirements only apply in accordance with the terms of reference.
Part B	Exchange of information framework	It is recommended that Nigeria have in place the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	-

Notes

[1] Nigeria's primary law consists of the Income Tax (Country-by-Country Reporting) Regulations 2018, which was published by Federal Republic of Nigeria Official Gazette on 8 January 2018.

[2] Guidance consists of Country-by-Country reporting published on the website of the Federal Inland Revenue Service: http://www.firs.gov.ng/Tax-Management/Pages/Country-by-Country-Reporting.aspx.

[3] Nigeria's 2017/2018 peer review included a monitoring point relating to the definition of "Excluded MNE group". This monitoring point remains in place.

[4] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[5] Guideline named "Guidelines for the appropriate use of information contained in CbC reports" was published on 3 July 2018 (Information Circular No. 2018/02).

North Macedonia (Republic of)

1. This report is the Republic of North Macedonia's (North Macedonia) first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. There is no filing obligation for a CbC report in North Macedonia yet.

Summary of key findings

2. North Macedonia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that North Macedonia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

3. It is recommended that North Macedonia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which north Macedonia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that North Macedonia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that North Macedonia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

6. It is however noted that North Macedonia will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. North Macedonia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

8. North Macedonia does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2017 fiscal year.

9. It is recommended that North Macedonia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

10. In respect of paragraph 8 of the terms of reference, North Macedonia does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in North Macedonia. It is recommended that North Macedonia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, North Macedonia has no bilateral relationships in place for the exchange of CbC reports. It is recommended that North Macedonia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which North Macedonia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

12. North Macedonia does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

13. North Macedonia does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

14. North Macedonia does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

15. North Macedonia does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. North Macedonia does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure

(g) Format for information exchange

17. North Macedonia has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

18. North Macedonia has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

19. It is recommended that North Macedonia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which North Macedonia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

20. Further, it is recommended that North Macedonia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that North Macedonia will not be exchanging CbC reports in 2019.

Part C: Appropriate use

21. North Macedonia does not yet have measures in place relating to appropriate use. It is recommended that North Macedonia to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

22. It is recommended that North Macedonia take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information. It is however noted that North Macedonia will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that North Macedonia take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that North Macedonia take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information
Part B	Exchange of information framework	It is recommended that North Macedonia take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that North Macedonia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Norway

1. Norway was first reviewed during the 2017/2018 peer review. This report is supplementary to Norway's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Norway applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Norway's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

3. Norway's 2017/2018 peer review included a recommendation that Norway take steps to ensure that local filing can only be required in circumstances permitted in the terms of reference. Norway amended the Tax Administration Act in a manner consistent with the terms of reference relating to the circumstances local filing can be required so the recommendation issued in the 2017/2018 peer review is removed.

Part A: The domestic legal and administrative framework

4. Norway has primary and secondary laws in place to implement the BEPS Action 13 minimum standard[1] establishing the necessary requirements, including the filing and reporting obligations. Guidance has also been published. [2]

(a) Parent entity filing obligation

5. No changes were identified with respect to the parent entity filing obligation.[3]

(b) Scope and timing of parent entity filing

6. No changes were identified with respect to the parent entity filing obligation.

(c) Limitation on local filing obligation

7. Norway's 2017/2018 peer review included a recommendation that Norway take steps to ensure that local filing can only be required in the circumstances permitted in the terms of reference. Norway amended the Tax Administration Act[4] in a manner consistent with the terms of reference relating to the circumstances local filing can be required. As such, this recommendation is removed.

8. No other changes were identified with respect to the limitation on local filing obligation.[5]

(d) Limitation on local filing in case of surrogate filing

9. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

10. Norway's 2017/2018 peer review included a general monitoring point concerning the fact that was no specific process that would allow it to take appropriate measures in case Norway is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Norway reports the following update: Norwegian internal "Routines for Country-by-Country-Reporting" specifies that the Reporting Norwegian entity will be contacted when Norwegian Tax Administration is notified by foreign tax authorities about potential errors in the exchanged data. Such notification will be taken care of by the Competent Authority at the Norwegian Directorate of Taxes. Norwegian tax authorities must reply to notifications from foreign tax authorities within 90 days. In view of this specific procedure, the monitoring point is removed.

11. No other changes were identified with respect to the effective implementation.

Conclusion

12. Norway's 2017/2018 peer review included a recommendation that Norway take steps to ensure that local filing can only be required in circumstances permitted in the terms of reference. Norway amended the Tax Administration Act in a manner consistent with the terms of reference relating to the circumstances local filing can be required. As such, the recommendation issued in the 2017/2018 peer review is removed. Norway meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

13. As of 31 May 2019, Norway has 66 bilateral relationships in place, including those activated under the CbC MCAA, and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, Norway has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[6] Regarding Norway's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

14. Norway has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

15. Peer input was received from one jurisdiction in relation to the content of information exchanged. There are no concerns to be reported in respect of the content of information exchanged.

(c) Completeness of exchanges

16. Norway has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

17. Peer input was received from one jurisdiction in relation to the completeness of exchanges. There are no concerns to be reported in respect of the completeness of exchanges.

(d) Timeliness of exchanges

18. Norway has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

19. Peer input was received from one jurisdiction in relation to the timeliness of exchanges. There are no concerns to be reported in respect of the timeliness of exchanges.[7]

(e) Temporary suspension of exchange or termination of QCAA

20. Norway has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

21. Peer input was received from one jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. There are no concerns to be reported in respect of the temporary suspension of exchange or termination of QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

22. Norway has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

23. Peer input was received from one jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. There are no concerns to be reported in respect of consultation with the other Competent Authority before determining systemic failure or significant non-compliance.

(g) Format for information exchange

24. Norway confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

25. Peer input was received from one jurisdiction in relation to the format for information exchange. There are no concerns to be reported in respect of the format of information exchange.

(h) Method for transmission

26. Norway indicates that it uses the Common Transmission System to exchange CbC reports.[8]

27. Peer input was received from one jurisdiction in relation to the method for transmission. There are no concerns to be reported in respect of the method used for transmission.

Conclusion

28. Norway has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Norway meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

29. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

30. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

31. Norway meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of the Tax Administration Act Sections 8-12: https://lovdata.no/dokument/NL/lov/2016-05-27-14/KAPITTEL_8#KAPITTEL_8 (available in Norwegian text); Secondary law consist of the regulations to the Tax Administration Act (Regulations):

https://lovdata.no/dokument/SF/forskrift/2016-11-23-1360/KAPITTEL_6#KAPITTEL_6 (available in Norwegian text).

[2] Guidance consists of Country-by-Country reporting information published on the website of The Norwegian tax Administration: www.skatteetaten.no/en/About-Skatteetaten/Om-oss/Prosjekter/country-by-country-reporting-for-multinational-enterprises-mne/.

[3] Norway's 2017/2018 peer review included a monitoring point relating to the definition of a "parent company". This monitoring point remains in place.

[4] Norway indicated that the Ministry of Finance the amendment of the Tax Administration Act was adopted by the Parliament in June 2018. Section 8-12 para. 2 b of the amendment will read as follows: The jurisdiction where the parent company is resident has an International Agreement but does not have a Qualifying Competent Authority Agreement in effect to which this jurisdiction is a party by the time for filing the Country-by-Country Report. The amendment will have effect on fiscal years starting 1st January 2018.

[5] Norway's 2017/2018 peer review included a monitoring point relating to the interpretation of the concept of "System Failure". This monitoring point remains in place.

[6] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[7] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

[8] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

Oman

1. This report is Oman's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. There is no filing obligation for a CbC report in Oman yet.

Summary of key findings

2. Oman does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Oman take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

3. It is recommended that Oman take steps to put in place QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Oman take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Oman take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

6. It is however noted that Oman will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Oman does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

8. Oman does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2017 fiscal year.

9. It is recommended that Oman take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

10. In respect of paragraph 8 of the terms of reference, Oman does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Oman. It is recommended that Oman take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Oman has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Oman take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Oman has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

12. Oman does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

13. Oman does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

14. Oman does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

15. Oman does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Oman does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

17. Oman has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

18. Oman has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

19. It is recommended that Oman take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Oman has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

20. Further, it is recommended that Oman take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Oman will not be exchanging CbC reports in 2019.

Part C: Appropriate use

21. Oman does not yet have measures in place relating to appropriate use. It is recommended that Oman to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

22. It is recommended that Oman take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information. It is however noted that Oman will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Oman take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Oman take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information
Part B	Exchange of information framework	It is recommended that Oman take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Oman take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

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Pakistan

1. Pakistan was first reviewed during the 2017/2018 peer review. This report is supplementary to Pakistan's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Pakistan commences in respect of financial years beginning on or after 1 January 2016.

Summary of key findings

2. Pakistan's implementation of Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]) relating to the domestic legal and administrative framework.

3. It is recommended that Pakistan take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

4. It is recommended that Pakistan take steps to ensure that the appropriate use condition is met.

5. In the 2017/2018 peer review Pakistan was recommended to take steps to enable exchange of CbC reports relating to the fiscal year starting prior to 1 July 2016 when its signing of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (OECD/Council of Europe, 2011) came into effect. Pakistan signed a Unilateral Declaration on the effective date for exchanges under the MCAA in January 2018, this recommendation is therefore removed.

Part A: The domestic legal and administrative framework

6. Pakistan has primary and secondary laws in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.

(a) Parent entity filing obligation

7. No changes were identified with respect to the scope and timing of parent entity filing.

(b) Scope and timing of parent entity filing

8. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

9. No changes were identified with respect to the scope and timing of parent entity filing.

(d) Limitation on local filing in case of surrogate filing

10. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

11. No changes were identified with respect to the effective implementation

Conclusion

12. There is no change in relation to the domestic legal and administration framework for Pakistan since the previous peer review.

Part B: The exchange of information framework

(a) Exchange of information framework

13. In the 2017/2018 peer review Pakistan was recommended to take steps to enable exchange of CbC reports relating to the fiscal year starting prior to 1 July 2016 when its signing of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (OECD/Council of Europe, 2011) came into effect. Pakistan signed a Unilateral Declaration on the effective date for exchanges under the MCAA in January 2018, this recommendation is therefore removed.

14. As at 31 May 2019, Pakistan has 59 bilateral relationships activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, Pakistan has taken steps to have Qualifying Competent Authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[1]

(b) Content of information exchanged

15. Pakistan does not have a process or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. Pakistan does not have processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

17. Pakistan does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

18. Pakistan does not have processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Pakistan does not have processes in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

20. Pakistan has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

21. Pakistan has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

22. Pakistan does not have in place the necessary processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the information framework. It is recommended that Pakistan take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

Part C: Appropriate use

23. The 2017/2018 peer review included a recommendation that Pakistan take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains in place.

Conclusion

24. It is recommended that Pakistan take steps to ensure that the appropriate use condition is met.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part A	Exchange of information framework	It is recommended that Pakistan take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate Use	It is recommended that Pakistan take steps ensure that the appropriate sue conditions are met.

Notes

[1] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Panama

1. Panama was first reviewed during the 2017/2018 peer review. This report is supplementary to Panama's 2017/2018 peer review report (OECD, 2018[1]).

Summary of key findings

2. Panama's 2017/2018 peer review report included a recommendation that Panama take steps to implement legislation to impose a CbC filing requirement. Panama approved legislation to implement the BEPS Action 13 minimum standard on the 27th of May 2019. It has not been possible to carry out a review of this legislation for this peer review. The recommendation for Panama to implement legislation is therefore removed and review of the legislation will take place next year.

3. It is recommended that Panama take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Panama has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Panama take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Panama take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Panama will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Panama's 2017/2018 peer review report included a recommendation that Panama take steps to implement legislation to impose a CbC filing requirement. Panama approved legislation to implement the BEPS Action 13 minimum standard on the 27th of May 2019. It has not been possible to carry out a review of this legislation for this peer review. The recommendation for Panama to implement legislation is therefore removed and review of the legislation will take place next year.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. No changes were identified with respect to the effective implementation.

Conclusion

13. Panama's 2017/2018 peer review report included a recommendation that Panama take steps to implement legislation to impose a CbC filing requirement. Panama approved legislation to implement the BEPS Action 13 minimum standard on the 27th of May 2019. It has not been possible to carry out a review of this legislation for this peer review. The recommendation for Panama to implement legislation is therefore removed and review of the legislation will take place next year.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, Panama has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Panama take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Panama has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

(b) Content of information exchanged

15. Panama does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. Panama does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

17. Panama does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

18. Panama does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Panama does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

20. Panama intends to uses the OECD XML Schema and User Guide (OECD, 2017[3])for the international exchange of CbC reports.

(h) Method for transmission

21. Panama intends to uses the Common Transmission System to exchange CbC reports.

Conclusion

22. It is recommended that Panama take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Panama has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains in place since the 2017/2018 peer review.

23. Further, it is recommended that Panama take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Panama will not be exchanging CbC reports in 2019.

Part C: Appropriate use

24. Panama does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Panama to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place. It is however noted that Panama will not be exchanging CbC reports in 2019.

25. No information or peer input was received for the reviewed jurisdiction in respect of appropriate use.

Conclusion

26. The recommendation for Panama to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that Panama will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	It is recommended that Panama take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which it has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Panama take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Panama take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Papua New Guinea

1. This report is Papua New Guinea's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. The filing obligation for a CbC report in Papua New Guinea applies to reporting fiscal years commencing on or after 1 January 2017. Papua New Guinea also allows its MNE groups to file a CbC report on a voluntary basis for reporting fiscal years beginning between 1 January 2016 and 31 December 2016.[1]

Summary of key findings

2. Papua New Guinea's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]), except that:

- Papua New Guinea has set a threshold for the definition of exempt MNEs applying a revenue figure as at a fixed date rather than annually. It is recommended that Papua New Guinea take steps to amend its legislation or otherwise alter the threshold condition to bring it in line with the Action 13 minimum standard.
- Papua New Guinea does not have provisions to enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Papua New Guinea. It is recommended that Papua New Guinea amend its legislation or otherwise take steps to ensure that enforcement provisions relating to the CbCR's effective implementation are provided for as required by the terms of reference as soon as possible.

3. It is recommended that Papua New Guinea take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Papua New Guinea take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Papua New Guinea take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Part A: The domestic legal and administrative framework

6. Papua New Guinea has primary law in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations[2]. Guidance has also been published[3].

(a) Parent entity filing obligation

7. Papua New Guinea has primary law which imposes a CbC filing obligation on Ultimate Parent Entities of MNE Groups which have a consolidated group revenue above a certain threshold. All required Constituent Entities of the MNE Group are included in the CbC report and no entity is excluded from CbC Reporting other than permitted by the Action 13 report (OECD, 2015). Papua New Guinea has set a threshold for the definition of exempt MNEs applying a revenue figure at a fixed date rather than annually, as clarified and confirmed in its guidance. This means that some MNEs which would have had to report in some years based on their previous year's revenue will not have to and vice versa. This is not in line with the threshold required by the Action 13 standard. It is recommended that Papua New Guinea take steps to amend its legislation or otherwise alter the threshold condition to bring it in line with the Action 13 minimum standard.

(b) Scope and timing of parent entity filing

8. The first filing obligation for a CbC report in Papua New Guinea commences in respect of fiscal years beginning on 1 January 2017 or later. Papua New Guinea also allows its MNE groups to file a CbC report on a voluntary basis for reporting fiscal years beginning between 1 January 2016 and 31 December 2016. The CbC report must be filed within 12 months of the last day of the fiscal year of the MNE Group.

9. No inconsistencies were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. Papua New Guinea has provision for a local filing requirement in its legislation but this requirement has been suspended in a public announcement[4] and will not apply until further notice.

11. No inconsistencies were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

12. Papua New Guinea's legislation allows for the local filing requirements to not apply if there is surrogate filing in another jurisdiction by an MNE group, subject to conditions. The legislative local filing requirement is suspended until further notice.

13. No inconsistencies were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

14. Papua New Guinea has no legal mechanisms in place to enforce compliance by its MNEs with the filing requirements.

Conclusion

15. In respect of paragraph 8 of the terms of reference, Papua New Guinea has a domestic legal and administrative framework to impose but not enforce CbC requirements

on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Papua New Guinea. Papua New Guinea meets all the terms of reference relating to the domestic legal and administrative framework, with the exception of

- the filing exemption resulting from a definition of exempt MNE which is not consistent with the standard (paragraph 8(a) iv. and(b) ii. of the terms of reference), and
- the lack of enforcement provisions (paragraph 8(e) ii. of the terms of reference).

16. It is recommended that Papua New Guinea take steps to amend its legislation or otherwise alter the threshold condition to bring it in line with the Action 13 minimum standard.

17. It is recommended that Papua New Guinea amend its legislation or otherwise take steps to ensure that enforcement provisions relating to the CbCR's effective implementation are provided for as required by the terms of reference as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

18. As of 31 May 2019, Papua New Guinea has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Papua New Guinea take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Papua New Guinea has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

19. Papua New Guinea does not have processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged.

(c) Completeness of exchanges

20. Papua New Guinea does not have processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

21. No information or peer input was received for the reviewed jurisdiction in relation to the completeness of exchanges.

(d) Timeliness of exchanges

22. Papua New Guinea does not have processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

23. Papua New Guinea does not have processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

24. Papua New Guinea does not have processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

25. Papua New Guinea has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

26. Papua New Guinea has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports

Conclusion

27. It is recommended that Papua New Guinea take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Papua New Guinea has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

28. It is recommended that Papua New Guinea take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.

Part C: Appropriate use

29. Papua New Guinea does not yet have measures in place relating to appropriate use. It is recommended that Papua New Guinea take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

30. It is recommended that Papua New Guinea take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Papua New Guinea take steps to amend its legislation or otherwise alter the threshold condition to bring it in line with the Action 13 minimum standard.
Part A	Domestic legal and administrative framework	It is recommended that Papua New Guinea amend its legislation or otherwise take steps to ensure that enforcement provisions relating to the CbCR's effective implementation are provided for as required by the terms of reference as soon as possible.
Part B	Domestic legal and administrative framework	It is recommended that Papua New Guinea take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information
Part B	Exchange of information framework	It is recommended that Papua New Guinea take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of the first exchanges of information.
Part C	Appropriate use	It is recommended that Papua New Guinea take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Notes

[1] http://irc.gov.pg/wp-content/uploads/2017/07/SBg09dc217010615340.pdf.

[2] www.parliament.gov.pg/uploads/acts/16A_47.pdf.

[3] http://irc.gov.pg/wp-content/uploads/2018/04/CbCR-Information-sheet.pdf.

[4] http://irc.gov.pg/wp-content/uploads/2019/01/Public-notice-re-CBCR-Final.pdf.

Paraguay

1. Paraguay was first reviewed during the 2017/2018 peer review. This report is supplementary to Paraguay's 2017/2018 peer review report (OECD, 2018[1]). There is no filing obligation for a CbC report in Paraguay yet.

Summary of key findings

2. Paraguay does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Paraguay take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Paraguay take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which it has international agreements which allow for the automatic exchange of information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Paraguay take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Paraguay take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Paraguay will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Paraguay does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. No changes were identified with respect to the effective implementation.

Conclusion

13. There is no change in relation to the domestic legal and administration framework for Paraguay since the previous peer review. The recommendation in the 2017/18 peer review, that Paraguay take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, remains in place.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, Paraguay has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Paraguay take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Paraguay has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

15. Paraguay does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. Paraguay does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

17. Paraguay does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

18. Paraguay does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Paraguay does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the

terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

20. Paraguay has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

21. Paraguay has not confirmed that an appropriate encryption method and method for electronic data transmission are in place.

Conclusion

22. The recommendation in the 2017/2018 peer review for Paraguay to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and which Paraguay has an international exchange of information agreement in effect with that allows for the automatic exchange of information remains in place.

23. Further, it is recommended that Paraguay take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Paraguay will not be exchanging CbC reports in 2019.

Part C: Appropriate use

24. Paraguay does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Paraguay to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place. It is however noted that Paraguay will not be exchanging CbC reports in 2019.

Conclusion

25. There is no change to the conclusion in relation to the appropriate use for Paraguay since the previous peer review. The recommendation for Paraguay to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that Paraguay will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Paraguay take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Paraguay take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisite and with which it has an international exchange of information agreement in effect that allows for the automatic exchange of tax information s
Part B	Exchange of information framework	It is recommended that Paraguay take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Paraguay take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Peru

1. Peru was first reviewed during the 2017/2018 peer review. This report is supplementary to Peru's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for CbC reporting in Peru commences in respect of periods commencing on or after 1 January 2017.

Summary of key findings

2. Peru's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]), except that it is recommended that Peru take steps to have the necessary processes and written procedures in place to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

3. Peru's 2017/2018 peer review included a recommendation to Peru to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which it has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. Bilateral relationships are now in place so the recommendation is removed.

4. Peru's 2017/2018 peer review included a recommendation that Peru take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Peru is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. As such, the recommendation is removed and it is not necessary for this peer review evaluation to reach any conclusion with respect to Peru's compliance with the terms of reference on appropriate use.

Part A: The domestic legal and administrative framework

5. Peru has primary[1] and secondary[2] laws in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.

(a) Parent entity filing obligation

6. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

7. No changes were identified with respect to the parent entity filing obligation.[3]

(c) Limitation on local filing obligation

8. No changes were identified with respect to the limitation on local filing obligation.[4]

(d) Limitation on local filing in case of surrogate filing

9. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

10. No changes were identified with respect to the limitation on local filing in case of surrogate filing.[5] [6]

Conclusion

11. There is no change to the conclusion in relation to the domestic legal and administration framework for Peru since the previous peer review. Peru meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

12. Peru's 2017/2018 peer review included a recommendation to Peru to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites. Bilateral relationships are now in place so the recommendation is removed.

13. As of 31 May 2019, Peru has 45 bilateral relationships in place for the exchange of CbC reports, including those activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of tax information, Peru has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that currently meet the confidentiality, consistency and appropriate use conditions. Regarding Peru's exchange of information framework, no inconsistencies with the terms of reference were identified.[7]

(b) Content of information exchanged

14. Peru does not have yet processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged.

(c) Completeness of exchanges

15. Peru does not have yet processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

16. Peru does not have yet processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

17. Peru does not have yet processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

18. Peru does not have yet processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

19. Peru confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

20. Peru indicates that it intends to use the Common Transmission System to exchange CbC reports.

Conclusion

21. Peru does not yet have in place the necessary processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. It is recommended that Peru take steps to implement such processes and written procedures.

Part C: Appropriate use

22. Peru's 2017/2018 peer review included a recommendation that Peru take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Since Peru is included on the list of non-reciprocal jurisdictions, Peru will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. As such, the recommendation with respect to appropriate use issued in the 2017/2018 peer review is removed.

Conclusion

23. Peru's 2017/2018 peer review included a recommendation that Peru take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Peru is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. As such, the recommendation is removed and it is not necessary for this peer review evaluation to reach any conclusion with respect to Peru's compliance with the terms of reference on appropriate use.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	it is recommended that Peru take steps to have the necessary processes and written procedures in place to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework
Part C	Appropriate use	-

Notes

[1] Peru's Primary law consists of article 32-A of the Income Tax Law (modified by Legislative Decree No. 1,312/2016).

[2] Secondary law consists of articles 116, 117 and 118, as well its related complementary provisions of the regulation of the Income Tax Law, through No. 333-2017-EF supreme decree.

[3] The deadline for submitting CbC was established by SUNAT through superintendence resolution No. 163/2018. CbC reports will be filed within 12 months after the end of the period to which the CbC report of the MNE Group relates.

[4] Peru has deferred the first filing deadline in cases subject to local filing, pursuant to SUNAT resolution No. 264-2018. The measure provides transitional relief from local filing for fiscal year 2017 in cases involving the absence of a QCAA in effect for 2017.

[5] SUNAT affirms it will start on January 2019 a manual process oriented to identify UPEs that do not accomplish with the filing obligation.

[6] Peru's 2017/2018 peer review included a monitoring point relating to the absence of specific processes in place that would allow Peru to take appropriate measures in case it is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This aspect will be further monitored once the actual exchanges of CbC reports will commence. This monitoring point remains in place.

[7] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Poland

1. Poland was first reviewed during the 2017/2018 peer review. This report is supplementary to Poland's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Poland commences in respect of periods commencing on or after 1 January 2016.

Summary of key findings

2. Poland's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2])**.**

3. Poland's 2017/2018 peer review included two recommendations with respect to the domestic legal and administrative framework as follows:

- It included a recommendation that Poland amend or otherwise clarify its rule for the calculation of the annual consolidated group revenue threshold calculation so that it applies in a manner consistent with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Poland, when local filing requirements are applicable. Poland has confirmed that this is the case and has put legislation in place [1]. The recommendation is removed.
- In addition, the previous peer review included a recommendation related to the definition of "accumulated earnings", as this definition lacks a specific rule relating to the treatment of permanent establishments. Poland has amended its regulations and the recommendation is removed.

4. Poland's 2017/2018 peer review included a recommendation that Poland take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Poland now has measures in place to ensure the appropriate use of information in all six areas identified in the OECD *Guidance on the Appropriate Use of Information contained in CbC Reports* (OECD, 2017[4]). The recommendation with respect to appropriate use issued in the 2017/2018 peer review is removed.

Part A: The domestic legal and administrative framework

5. Poland has rules (primary and secondary law) in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations.

(a) Parent entity filing obligation

6. Poland's 2017/2018 peer review included a recommendation that Poland amend or otherwise clarify its rule for the calculation of the annual consolidated group revenue threshold calculation so that it applies in a manner consistent with the OECD guidance on

currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Poland, when local filing requirements are applicable. Poland has confirmed that this is the case and has put legislation in place that clarifies this. The recommendation is removed.

(b) Scope and timing of parent entity filing

7. Poland's 2017/2018 peer review included a recommendation related to the definition of "accumulated earnings", as this definition lacks a specific rule relating to the treatment of permanent establishments. Poland has amended its regulations by including a specific rule relating to the treatment of permanent establishments to its definition of "accumulated earnings". As such, the recommendation is removed.

(c) Limitation on local filing obligation

8. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

9. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

10. No changes were identified with respect to the effective implementation.

Conclusion

11. Poland meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

12. As of 31 May 2019, Poland has 67 bilateral relationships, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Poland has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. Regarding Poland's exchange of information framework, no inconsistencies with the terms of reference were identified.[2]

(b) Content of information exchanged

13. Poland has written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these procedures.

14. No information or peer input was received for the reviewed jurisdiction in relation to the content of information exchanged. There are no concerns to be reported in respect of the content of information exchanged.

(c) Completeness of exchanges

15. Poland has an automated process in place that is intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with

which it should exchange information as per the relevant QCAAs. It has provided details in relation to these procedures.

16. No information or peer input was received for the reviewed jurisdiction in relation to the completeness of exchanges. There are no concerns to be reported in respect of the completeness of exchanges.

(d) Timeliness of exchanges

17. Poland has an automated process in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these procedures.

18. No information or peer input was received for the reviewed jurisdiction in relation to the timeliness of exchanges. There are no concerns to be reported in respect of the timeliness of exchanges.[3]

(e) Temporary suspension of exchange or termination of QCAA

19. Poland has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

20. Despite these processes Poland indicates that a number of CbC reports were exchanged late. These late exchanges were due to errors in the received data and corrections made by MNEs and therefore no recommendation is required

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

21. Poland has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

22. No information or peer input was received for the reviewed jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. There are no concerns to be reported in respect of consultation with the other Competent Authority before determining systemic failure or significant non-compliance

(g) Format for information exchange

23. Poland confirms that it uses the OECD XML schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

24. No information or peer input was received for the reviewed jurisdiction in relation to the format for information exchange. There are no concerns to be reported.

(h) Method for transmission

25. Poland indicates that it uses the Common Transmission System to exchange CbC reports.

26. No information or peer input was received for the reviewed jurisdiction in relation to the method for transmission. There are no concerns to be reported.

Conclusion

27. Poland has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Poland meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

28. The 2017/2018 peer review included a recommendation that Poland take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Poland now has measures in place to ensure the appropriate use of information in all six areas identified in the OECD *Guidance on the Appropriate use of Information contained in CbC Reports* (OECD, 2017[4]). Since the 2017/2018 peer review, Poland has provided details in relation to these measures, enabling it to answer "yes" to the additional questions on appropriate use and the recommendation is removed.

29. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use.

Conclusion

30. Poland meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20190000694/O/D20190694.pdf.

[2] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[3] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

Portugal

1. Portugal was first reviewed during the 2017/2018 peer review. This report is supplementary to Portugal's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Portugal commences in respect of financial years beginning on or after 1 January 2016.

Summary of key findings

2. Portugal's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]) for the year in review.

Part A: The domestic legal and administrative framework

3. Portugal has legislation in place (Primary law [1] – no secondary legislation was required) in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations. Guidance has also been published.[2]

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation. Portugal's 2017/2018 peer review included a monitoring point to clarify the definition of Reporting Entity and the scope of the filing obligation. Portugal has prepared guidance on the filing of the CbC report. Portugal expressly confirmed in the guidance that it should be interpreted in light of the OECD guidelines on BEPS Action 13 implementation. In view of this update and of the guidance issued, the monitoring point is removed.

5. Portugal's 2017/2018 peer review also included a monitoring point to clarify the application of the adequate threshold for filing a CbC report where local filing requirements apply in Portugal. The threshold was expressly included in the guidance on the filing of CbC report. In view of the guidance issued, the monitoring point is removed.

(b) Scope and timing of parent entity filing

6. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

7. Portugal's 2017/2018 report contained a monitoring point on the application of local filing requirement in line with the OCED guidance on currency fluctuations. Portugal affirms that a Portuguese Constituent Entity would only be subject to local filing if the Ultimate Parent Entity of the MNE Group (UPE) is not obligated to file a CbC in its jurisdiction of tax residence following the conditions in line with the action 13 minimum standard; or, the jurisdiction in which the UPE is resident for tax purposes has a current International Agreement to which Portugal is a party but does not have a Qualifying Competent Authority Agreement in effect or there has been a Systemic Failure. In view of this clarification included, the monitoring point is removed.

(d) Limitation on local filing in case of surrogate filing

8. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

9. Portugal's 2017/2018 peer review included a general monitoring point concerning the fact that was no specific process that would allow it to take appropriate measures in case Portugal is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Portugal has provided updated information, explaining that, in such a situation, the Portuguese Tax and Customs Authority will notify the Reporting Entity of the identified error, incompleteness or non-compliance, asking for the submission of a correct CbC report. Other appropriate measures will be taken if necessary. Once a corrected CbC report has been submitted to Portugal, it will then be exchanged with other jurisdictions shortly thereafter. In view of this update and specific process, the monitoring point is removed.

Conclusion

10. There is no change to the conclusion in relation to the domestic legal and administration framework for Portugal since the previous peer review. Portugal meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Portugal has 67 bilateral relationships in place, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Portugal has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[3] Regarding Portugal's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. Portugal has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these procedures.

(c) Completeness of exchanges

13. Portugal has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these procedures.

(d) Timeliness of exchanges

14. Portugal has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines

provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these procedures.

(e) Temporary suspension of exchange or termination of QCAA

15. Portugal has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Portugal has a written procedure in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those procedures.

(g) Format for information exchange

17. Portugal confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

18. Portugal indicates that it uses the Common Transmission System to exchange CbC reports. [4]

Conclusion

19. Portugal has in place the necessary processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Portugal meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

20. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

Conclusion

21. Portugal meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Portugal's primary law consists of Article 121-A of the Portuguese Tax Code (as amended by Law No. 7-A/2016 and by Law No. 98/2017).

[2] Portugal's guidance on the filing of the CbC report is incorporated in Resolution No. 383-A/2017.

[3] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction

[4] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

Qatar

1. Qatar was first reviewed during the 2017/2018 peer review. This report is supplementary to Qatar's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Qatar applies to reporting fiscal years commencing on or after 1 January 2018.[1]

Summary of key findings

2. Qatar's domestic legal and administrative framework for Action 13 meets all applicable terms of reference (OECD, 2017[2]).

3. It is recommended that Qatar take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of the first exchanges of information.

4. Qatar's 2017/2018 peer review included a recommendation that Qatar publish the instructions relating to the format of a CbC report. Qatar has now issued a decision which requires a CbC report to be prepared using the model template. This recommendation is removed.

5. Qatar's 2017/2018 peer review included a recommendation that Qatar prorogue local filing requirements. Qatar indicates that the obligations relating to the local filing are suspended until a future date, to be announced. This recommendation is removed.

6. Qatar's 2017/2018 peer review included a recommendation that Qatar introduce measures to enforce compliance with the minimum standards. Measures to enforce compliance with the CbC reporting obligation are now in place. This recommendation is removed.

7. Qatar's 2017/2018 peer review included a recommendation that Qatar take steps to enable exchanges of CbC reports. Within the context of its international exchange of information agreements that allow automatic exchange of information, Qatar has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. This recommendation is removed.

8. Qatar's 2017/2018 peer review included a recommendation that Qatar take steps to ensure that measures are finalised for appropriate use ahead of the first exchanges of information. Since Qatar is included on the list of non-reciprocal jurisdictions, Qatar will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. The recommendation is removed and it is not necessary for this peer review evaluation to reach any conclusion with respect to appropriate use.

Part A: The domestic legal and administrative framework

9. Qatar has introduced primary legislation[2] to implement the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

10. Qatar indicates that any Ultimate Parent Entity of MNE groups that is resident in Qatar is not required to file a CbC report with the Qatari tax administration for fiscal year starting on 1 January 2017, if the MNE groups files a CbC report for that year through a surrogate parent entity with the tax authority of the country of its tax residence. An obligation to file a CbC report in Qatar applies for fiscal years commencing on or after 1 January 2018.

11. No other changes were identified with respect to the parent entity filing obligation.[3]

(b) Scope and timing of parent entity filing

12. Qatar's 2017/2018 peer review included a recommendation that Qatar publish the instructions relating to the format of a CbC report. Qatar indicates that a decision has been issued which requires CbC reports to be prepared with reference to the model template. As such, the recommendation issued in the 2017/2018 peer review is removed.

13. No other changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

14. Qatar's 2017/2018 peer review included a recommendation that Qatar prorogue the local filing requirements. Qatar indicates that the obligations relating to the local filing are suspended until a future date, to be announced. As such, the recommendation issued in the 2017/2018 peer review is removed.

15. No other changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

16. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

17. Qatar's 2017/2018 peer review included a recommendation that Qatar introduce measures to enforce compliance with the minimum standards. Measures to enforce penalties are now in place in relation to: (i) failure to file a CbC report and (ii) inaccurate information contained in a CbC report. As such, the recommendation issued in 2017/2018 peer review is removed.

18. No other changes were identified with respect to the effective implementation.

Conclusion

19. Qatar has a domestic legal and administrative framework to impose and enforce CbC requirements on MNE Groups whose Ultimate Parent Entity is resident for tax purposes in Qatar. Qatar meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework (a) Exchange of information framework

20. Qatar's 2017/2018 peer review included a recommendation that Qatar take steps to enable exchanges of CbC reports. Within the context of its international exchange of information agreements that allow automatic exchange of information, Qatar has taken steps to have Qualifying Competent Authority Agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. This recommendation is removed.

21. As of 31 May 2019, Qatar has 54 bilateral relationships in place for the exchange of CbC reports, including those activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of tax information, Qatar has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that currently meet the confidentiality, consistency and appropriate use conditions. Regarding Qatar's exchange of information framework, no inconsistencies with the terms of reference were identified.

(a) Content of information exchanged

22. Qatar does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged.

(b) Completeness of exchanges

23. Qatar does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(c) Timeliness of exchanges

24. Qatar does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(d) Temporary suspension of exchange or termination of QCAA

25. Qatar does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(e) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

26. Qatar does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(f) Format for information exchange

27. Qatar has not confirmed the format that will be used for the international exchange of CbC reports.

(g) Method for transmission

28. Qatar has not confirmed that an appropriate encryption method and method for electronic data transmission are in place.

Conclusion

29. Qatar's 2017/2018 peer review included a recommendation that Qatar take steps to enable exchanges of CbC reports. This recommendation is removed.

30. It is recommended that Qatar take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.

Part C: Appropriate use

31. Qatar's 2017/2018 peer review included a recommendation that Qatar take steps to finalise the measures with regards to appropriate use. Qatar is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. As such, the recommendation is removed and it is not necessary for this peer review evaluation to reach any conclusion with respect to Qatar's compliance with paragraphs 12 of the terms of reference on appropriate use.

Conclusion

32. Qatar's 2017/2018 peer review included a recommendation that Qatar take steps to finalise the measures with regards to appropriate use. Qatar is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. The recommendation is therefore removed and it is not necessary for this peer review evaluation to reach any conclusion with respect to Qatar's compliance with the terms of reference on appropriate use.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	It is recommended that Qatar take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of the first exchanges of information.
Part C	Appropriate use	-

Notes

[1] In principle, an Ultimate Parent Entity of an MNE Group that is resident in Qatar is required to file a CbC report in Qatar for fiscal years commencing between 1 January 2017 and 31 December 2017. However, this obligation is waived in circumstances where the MNE Group files a CbC report for the fiscal year in another jurisdiction via a surrogate parent entity in that jurisdiction, and certain conditions are met.

[2] The Decision of the Minister of Finance No. 21 of the year 2018 on Country-by-Country Reports was promulgated and published in the Official Gazette No. 13/58, dated September 9, 2018.

[3] Qatar's 2017/2018 peer review included a monitoring point relating to the definition of "Excluded MNE group". This monitoring point remains in place.

Romania

1. Romania was first reviewed during the 2017/2018 peer review. This report is supplementary to Romania's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Romania commences in respect of fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Romania's implementation of the Action 13 minimum standard meets all the applicable terms of reference (OECD, 2017[2]) relating to the domestic legal and administrative framework, with the exception of:

- Romania has introduced a local filing requirement for the reporting periods starting on or after 1 January 2017. This requirement implements local filing in circumstances which are not in line with those allowed for local filing under the terms of reference. It is recommended that Romania take steps to align its local filing implementation with that required by the Action 13 minimum standard.

3. It is recommended that Romania take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

4. It is recommended that Romania take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

5. In its 2017/2018 peer review it was recommended that Romania have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites. Within the context of its international exchange of information agreements that allow automatic exchange of information, Romania has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. This recommendation is removed.

Part A: The domestic legal and administrative framework

6. Romania has primary and secondary laws in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.

(a) Parent entity filing obligation

7. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

8. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

9. No changes were identified with respect to the limitation on local filing. It is recommended that Romania take steps to align its local filing implementation with that required by the Action 13 minimum standard.

(d) Limitation on local filing in case of surrogate filing

10. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

11. No changes were identified with respect to the effective implementation.

Conclusion

12. There is no change in relation to the domestic legal and administration framework for Romania since the previous peer review. Romania meets all the terms of reference relating to the domestic legal and administrative framework with the exception of the requirement for local filing. It is recommended that Romania take steps to align its local filing implementation with that required by the Action 13 minimum standard.

Part B: The exchange of information framework

(a) Exchange of information framework

13. In its 2017/2018 peer review it was recommended that Romania have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites. Romania has now signed and activated the MCAA as a non-reciprocal jurisdiction. The recommendation is therefore removed.

14. As at 31 May 2019 Romania has 58 bilateral relationships activated under the MCAA and the EU Directive on exchange of Information (EU Directive 2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of tax information, Romania has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that currently meet the confidentiality, consistency and appropriate use conditions. Regarding Romania's exchange of information framework, no inconsistencies with the terms of reference were identified.[1]

(b) Content of information exchanged

15. Romania does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. Romania does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

17. Romania does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

18. No information has been received as to the number and timeliness of Romania's exchanges.

(e) Temporary suspension of exchange or termination of QCAA

19. Romania does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

20. Romania does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

21. Romania confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

22. Romania does not have processes or written procedures in place that are intended to ensure that an appropriate encryption method and method for electronic data transmission are in place.

Conclusion

23. The recommendation in the 2017/2018 peer review for Romania to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites is removed.

24. It is recommended that Romania take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework as soon as possible.

Part C: Appropriate use

25. Romania has notified under the CbC MCAA as a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions. but does have a legislative requirement for local filing. It is therefore recommended that Romania take steps to ensure that requirements under the terms of reference in respect of appropriate use are met

Conclusion

26. It is recommended that Romania take steps to ensure that the appropriate use condition is met as soon as possible.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Romania take steps to align its local filing implementation with that required by the Action 13 minimum standard.
Part B	Exchange of information framework	It is recommended that Romania take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Romania take steps to ensure that the appropriate use condition is met as soon as possible.

Notes

[1] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Russia

1. Russia was first reviewed during the 2017/2018 peer review. This report is supplementary to Russia's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Russia commences in respect of financial years beginning on or after 1 January 2017. Russia also allowed its MNE groups to file a CbC report on a voluntary basis, for reporting fiscal years beginning between 1 January 2016 and 31 December 2016 (i.e. "parent surrogate filing").

Summary of key findings

2. Russia's implementation of Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]) relating to the domestic legal and administrative framework, with the exception of:

- the recommendation that Russia amend its legislation or otherwise takes steps to ensure that local filing is only required in the circumstances contained in the terms of reference. This recommendation remains unchanged since the 2017/2018 peer review.
- the recommendation that Russia amend its legislation or otherwise take steps to ensure that enforcement provisions and monitoring relating to the CbCR's effective implementation are provided for as contained in the terms of reference as from the first reporting period. This recommendation remains unchanged since the 2017/2018 peer review.

3. Russia's 2017/2018 review included a recommendation that provide clarify the exact scope and legal basis under the minimum standard and/or the exchange of information framework for the filing exemption in relation to military-industrial and strategic enterprises. Russia has provided more explanation and the recommendation is therefore removed.

Part A: The domestic legal and administrative framework

4. Russia has primary and secondary laws in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.

(a) Parent entity filing obligation

5. Russia's 2017/2018 peer review included a recommendation that Russia clarify the exact scope and legal basis under the minimum standard and/or the exchange of information framework for the filing exemption in relation to military-industrial and strategic enterprises. Russia has clarified that the basis for modifications to the reporting requirements is that unmodified reports contain information the disclosure of which would be contrary to public policy (*ordre public*) under the provisions of Article 21 of the

Multilateral Convention on Mutual administrative assistance in Tax Matters. Further, in order to qualify for the modified reporting, an MNE must perform a special procedure certain requirements before submitting the modified report, and is not exempt from submission. Having received an appropriate consent, then a CbC report should be submitted with competent authorities of other jurisdictions. The procedure relating to receiving an appropriate consent is an administrative formality, Russia confirms that some organization which are strategic enterprises have already received the consent and submitted the report. The recommendation is removed.

(b) Scope and timing of parent entity filing

6. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

7. Russia's 2017/2018 peer review included a recommendation that Russia amend its legislation or otherwise takes steps to ensure that local filing is only required in the circumstances contained in the terms of reference. This recommendation remains in place.

(d) Limitation on local filing in case of surrogate filing

8. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

9. Russia's 2017/2018 peer review included a recommendation that Russia amend its legislation or otherwise take steps to ensure that enforcement provisions and monitoring relating to the CbCR's effective implementation are provided for as contained in the terms of reference as from the first reporting period. This recommendation remain in place.

10. Russia's 2017/2018 peer review identified that Russia had no specific processes to take appropriate measures in case Russia is notified by another jurisdiction that it has reason to believe with respect to a Reporting entity that an error may have led to incorrect or incomplete information reporting or that there is non-compliance of a Reporting entity with respect to its obligation to file a CbC report. No recommendation was made but the point was to be monitored. Russia now reports that the appropriate monitoring is part of the process of monitoring compliance with general tax legislation. An MNE will be contacted in writing to discuss any errors or incomplete data and any systematic failure with filing obligations or failure to react adequately to enquiries will result in sanctions being imposed. The monitoring point is therefore removed.

Conclusion

11. Russia's 2017/2018 review included a recommendation that provide clarify the exact scope and legal basis under the minimum standard and/or the exchange of information framework for the filing exemption in relation to military-industrial and strategic enterprises. Russia has provided more explanation and the recommendation is therefore removed

12. There is no change in relation to the domestic legal and administration framework for Russia in terms of the other recommendations. Those recommendations in the 2017/18 peer review remain in place.

Part B: The exchange of information framework

(a) Exchange of information framework

13. As at 31 May 2019, Russia has 59 bilateral relationships activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, Russia has taken steps to have Qualifying Competent Authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. Regarding Russia's exchange of information framework, no inconsistencies with the terms of reference were identified.[1]

(b) Content of information exchanged

14. Russia has processes in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged. It has provided details in relation to these.

(c) Completeness of exchanges

15. Russia has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA. It has provided details in relation to these.

(d) Timeliness of exchanges

16. Russia has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs. It has provided details in relation to these.

(e) Temporary suspension of exchange or termination of QCAA

17. Russia has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA. It has provided details in relation to these.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

18. Russia has processes in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority. It has provided details in relation to these.

(g) Format for information exchange

19. Russia confirms that it uses the OECD XML schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

20. Russia indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

21. Russia has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the

exchange of information framework. Russia meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

22. No changes were identified in respect of appropriate use.

Conclusion

23. Russia meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Russia amend its legislation or otherwise take steps to ensure that local filing is only required in the circumstances contained in the terms of reference.
Part A	Domestic legal and administrative framework	It is recommended that Russia amends its legislation or otherwise take steps to ensure that enforcement provisions and monitoring relating to the CbCR's effective implementation are provided for as contained in the terms of reference as from the first reporting period.
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction

Saint Lucia

1. This report is Saint Lucia's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. There is no filing obligation for a CbC report in Saint Lucia yet.

Summary of key findings

2. Saint Lucia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Saint Lucia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

3. It is recommended that Saint Lucia take steps to put QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Saint Lucia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Saint Lucia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Saint Lucia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

6. It is however noted that Saint Lucia will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Saint Lucia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

8. Saint Lucia does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2017 fiscal year.

9. It is recommended that Saint Lucia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

10. In respect of paragraph 8 of the terms of reference, Saint Lucia does not yet have a domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Saint Lucia. It is recommended that Saint Lucia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Saint Lucia no bilateral relationships in place for the exchange of CbC reports. It is recommended that Saint Lucia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Saint Lucia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

12. Saint Lucia does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

13. Saint Lucia does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

14. Saint Lucia does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

15. Saint Lucia does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Saint Lucia does not yet have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

17. Saint Lucia confirms that it intends to use the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

18. Saint Lucia confirms that it intends to use the Common Transmission System to exchange CbC reports.

Conclusion

19. It is recommended that Saint Lucia take steps take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Saint Lucia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

20. Further, it is recommended that Saint Lucia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Saint Lucia will not be exchanging CbC reports in 2019.

Part C: Appropriate use

21. Saint Lucia does not yet have measures in place relating to appropriate use. It is recommended that Saint Lucia to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

22. It is recommended that Saint Lucia take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information. It is however noted that Saint Lucia will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Saint Lucia take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Saint Lucia take steps have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Saint Lucia take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Saint Lucia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

San Marino

1. San Marino was first reviewed during the 2017/2018 peer review. This report is supplementary to San Marino's 2017/2018 peer review report (OECD, 2018[1]). Since the last peer review, San Marino has introduced primary legislation in order to implement CbC Reporting requirements. The filing obligation for a CbC report in San Marino applies to reporting fiscal years commencing on or after 1 January 2019.

Summary of key findings

2. San Marino's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

3. San Marino's 2017/2018 peer review included a recommendation that San Marino take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible. San Marino now has the primary law in place to impose and enforce CbC requirements and the recommendation with respect to domestic legal and administrative framework issued in the 2017/2018 peer review is removed.

4. San Marino's 2017/2018 peer review had a recommendation that San Marino take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites band with which San Marino has international agreements that allow automatic exchange of tax information. Bilateral relationships are now in place the recommendation is removed.

5. San Marino's 2017/2018 review included a recommendation that San Marino take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information (OECD, 2017[4]). San Marino has provided details of its processes and this recommendation is removed.

Part A: The domestic legal and administrative framework

6. San Marino has primary law in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations.[1]

(a) Parent entity filing obligation

7. San Marino has primary law which imposes a CbC filing obligation on Ultimate Parent Entities of MNE Groups which have a consolidated group revenue above a certain threshold, whereby all required Constituent Entities of the MNE Group are included in the CbC report and no entity is excluded from CbC Reporting other than permitted by the Action 13 report (OECD, 2015).[2]

8. With respect to the definition of an "Excluded MNE Group", the legislation define this as "a multinational enterprise group whose total revenue is less than 750 million Euro, during the fiscal year immediately preceding the reporting year, as reflected in its consolidated financial statements for such preceding fiscal year".[3] While this provision would not create an issue for MNE Groups whose Ultimate Parent Entity is a tax resident in San Marino, it may however be incompatible with the guidance on currency fluctuations for MNE Groups whose Ultimate Parent Entity is located in another jurisdiction, if local filing requirements were applied in respect of a Constituent Entity (which is a San Marino's tax resident) of an MNE Group which does not reach the threshold as determined in the jurisdiction of the Ultimate Parent Entity of such Group. However, San Marino has issued guidance[4] to clarify that this rule will be applied in line with the OECD guidance on currency fluctuations so no issue arises.

9. No inconsistencies were identified with respect to San Marino's domestic legal framework in relation with the parent entity filing obligation.

(b) Scope and timing of parent entity filing

10. The first filing obligation for a CbC report in San Marino commences in respect of fiscal years beginning on 1 January 2019 or later.[5] The CbC report must be filed within 12 months of the last day of the fiscal year of the MNE Group.[6]

11. No inconsistencies were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

12. San Marino has introduced local filing requirements in respect of fiscal years beginning on or after 1 January 2019.[7]

13. No inconsistencies were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

14. San Marino's local filing requirements will not apply if there is surrogate filing in another jurisdiction by an MNE group, subject to conditions. No inconsistencies were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

15. San Marino has legal mechanisms in place to enforce compliance with the minimum standard: there are notification mechanisms in place that apply to San Marino entities.[8] There are also penalties in place in relation to the filing of a CbC report: (i) penalties for failure to file a CbC report and late filing and (ii) penalties for inaccurate information.[9]

Conclusion

16. San Marino's 2017/2018 peer review included a recommendation that San Marino take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible. San Marino now has the primary law in place to impose and enforce CbC requirements. As such, the recommendation with respect to domestic legal and administrative framework issued in the 2017/2018 peer review is removed. San Marino meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

17. San Marino's 2017/2018 peer review had a recommendation that San Marino take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which San Marino has international agreements that allow automatic exchange of tax information. Bilateral relationships are now in place the recommendation is removed

18. As of 31 May 2019, San Marino has 54 bilateral relationships in place for the exchange of CbC reports under the CbC MCAA. In the context of its international exchange of information agreements that allow automatic exchange of tax information, San Marino has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that currently meet the confidentiality, consistency and appropriate use conditions. Regarding San Marino's exchange of information framework, no inconsistencies with the terms of reference were identified.[10] The recommendation in San Marino's 2017/2018 peer review is therefore removed.

(b) Content of information exchanged

19. San Marino has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged.

(c) Completeness of exchanges

20. San Marino has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

21. San Marino has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

22. San Marino has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

23. San Marino has processes in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

24. San Marino confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

25. San Marino indicates that it uses the Common transmission System to exchange CbC reports.

Conclusion

26. The recommendation in the 2017/2018 peer review for San Marino to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use and with which San Marino has an international exchange of information agreement in effect that allows for the automatic exchange of tax information is removed.

27. San Marino has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. San Marino meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

28. San Marino's 2017/2018 peer review included a recommendation that San Marino to take steps to have measures in place relating to appropriate use of CbC reports. San Marino now has processes which have enabled it to answer yes to all 6 questions on appropriate use (see Appendix A). The recommendation is therefore removed.

Conclusion

29. San Marino meets all the terms of reference relating to appropriate use of CbC reports.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary Law consists of Delegated Decree No.18 of 25 January 2019 entitled "Provisions Relating to Automatic Exchange of Compulsory of Information in the Tax Sector" (the "CbC Decree"): www.consigliograndeegenerale.sm/on-line/home/archivio-leggi-decreti-e-regolamenti/documento17106469.html (access in Italian).

[2] See paragraph 1, Article 3 of the CbC Decree.

[3] See paragraph 1 d), Article 2 of the CbC Decree.

[4] http://www.finanze.sm/on-line/home/aree-tematiche/fiscalita-internazionale.htm.

[5] See paragraph 1, Article 3 of the CbC Decree.

[6] See Article 6 of the CbC Decree.

[7] See paragraph 2, Article 3 of the CbC Decree.

[8] See Article 4 of the CbC Decree.

[9] See Article 9 of the CbC Decree.

[10] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Saudi Arabia

1. Saudi Arabia was first reviewed during the 2017/2018 peer review. This report is supplementary to Saudi Arabia' 2017/2018 peer review report (OECD, 2018[1]). There is no obligation for the filing of a CbC report in Saudi Arabia yet.

Summary of key findings

2. Saudi Arabia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Saudi Arabia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Saudi Arabia take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Saudi Arabia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Saudi Arabia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Saudi Arabia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Saudi Arabia will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Saudi Arabia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. Saudi Arabia confirms that. is currently in the process of finalising its CbC legislation and indicates that it will implement CbC reporting requirements for fiscal years commencing on or after 1 January 2018.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. No changes were identified with respect to the effective implementation.

Conclusion

13. There is no change in relation to the domestic legal and administration framework for Saudi Arabia since the previous peer review. The recommendation in the 2017/18 peer review, that Saudi Arabia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, remains in place. However, it is noted that Saudi Arabia is in the process of finalising its CbC legislation.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, Saudi Arabia has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Saudi Arabia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Saudi Arabia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

15. Saudi Arabia does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. Saudi Arabia does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

17. Saudi Arabia does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

18. Saudi Arabia does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Saudi Arabia does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

20. Saudi Arabia has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

21. Saudi Arabia has not confirmed that an appropriate encryption method and method for electronic data transmission are in place.

Conclusion

22. The recommendation in the 2017/2018 peer review for Saudi Arabia to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Saudi Arabia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information remains in place.

23. Further, it is recommended that Saudi Arabia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.

Part C: Appropriate use

24. Saudi Arabia does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Saudi Arabia to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

25. No information or peer input was received for the reviewed jurisdiction in respect of appropriate use.

Conclusion

26. There is no change to the conclusion in relation to the appropriate use for Saudi Arabia since the previous peer review. The recommendation for Saudi Arabia to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Saudi Arabia take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Saudi Arabia take steps have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Saudi Arabia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information
Part B	Exchange of information framework	It is recommended that Saudi Arabia take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework
Part C	Appropriate use	It is recommended that Saudi Arabia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Senegal

1. Senegal was first reviewed during the 2017/2018 peer review. This report is supplementary to Senegal's 2017/2018 peer review report (OECD, 2018[1]). Since the last peer review, Senegal has introduced primary legislation in order to implement CbC Reporting requirements. The first filing obligation for a CbC report in Senegal commences in respect of financial years beginning on or after 1 January 2018.

Summary of key findings

2. Senegal's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]), except for the following:

- It is recommended that Senegal define the concepts of an "Ultimate Parent Entity", "MNE Group", "Group" and "Constituent Entity" in a manner consistent with the terms of reference,
- It is recommended that Senegal publish the content and format of a CbC report,
- It is recommended that Senegal amend or otherwise clarify the annual consolidated revenue threshold calculation rule in respect of MNE Groups whose Ultimate Parent Entity is located in a jurisdiction other than Senegal which may deviate from the guidance issued by the OECD. Although such deviation may be unintended, a technical reading of the provision could lead to local filing requirements inconsistent with the Action 13 standard,
- It is recommended that Senegal amend the conditions for local filing or otherwise take steps to ensure that local filing can only be required in the circumstances contained in the terms of reference,
- It is recommended that Senegal have enforcement measures in case of an incomplete or erroneous filing of a CbC report.

3. It is recommended that Senegal take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use prerequisites and with which Senegal has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Senegal have in place the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. It is however noted that Senegal will not be exchanging CbC reports in 2019.

5. It is recommended that Senegal take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains

unchanged since the 2017/2018 peer review. It is however noted that Senegal will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

6. Senegal has introduced primary legislation in 2018 to implement the BEPS Action 13 minimum standard. Secondary law and / or guidance have not been published.

(a) Parent entity filing obligation

7. Senegal has primary legislation to impose a CbC filing obligation on Ultimate Parent Entities of MNE Groups meeting certain conditions. The legal and administrative framework is however incomplete at this moment.

8. Under Senegal's primary legislation, legal persons meeting certain conditions are required to file an annual declaration with the tax administration, within 12 months following the end of each fiscal year, which includes the breakdown of the group's activities, profits and various economic, accounting and tax aggregates per geographic location. The legal persons concerned by this requirement are legal persons established in Senegal, fulfilling the following conditions: (i) they prepare consolidated financial statements; (ii) they own or control, directly or indirectly, one or more legal entities outside Senegal, or they have branches outside Senegal; (iii) they have an annual consolidated turnover (excluding tax) of XOF 491 000 000 000 (CFA Francs) or more, during the fiscal year preceding the one which the declaration relates to; (iv) they are not owned by one or more legal entities located in Senegal which are subject to the filing of this declaration, or established outside Senegal and required to file a similar declaration in accordance with a foreign legislation.

9. With respect to the definition of an "Ultimate Parent Entity", Senegal's legislation refers to a legal person preparing consolidated financial statements under accounting principles, but it does not include an entity that would be required to prepare consolidated financial statements if its equity interests were traded on a public securities exchange in Senegal ("*deemed listing provision*"), as required under paragraph 18 i. of the terms of reference. In addition, it is unclear whether the first condition relates to an obligation to prepare consolidated financial statements under accounting principles applicable in Senegal or whether it could apply to legal persons that prepare such statements without being required to do so. It is also unclear whether the legislation would apply to entities which do not have legal personality.

10. Under the terms of reference, the Ultimate Parent Entity shall not be held by another Constituent Entity that owns directly or indirectly sufficient interest to be considered as an Ultimate Parent Entity. This is not reflected in Senegal's primary law, which instead contains the following conditions in the primary filing obligation provisions: the Ultimate Parent Entity is "*not owned by one or more legal entities located in Senegal which are subject to the filing of this declaration, or established outside Senegal and required to file a similar declaration in accordance with a foreign legislation*".[1]

11. In light of the above, it is recommended that Senegal complete the definition of an "Ultimate Parent Entity" in a manner consistent with the terms of reference.

12. Finally, there is no definition of an "MNE Group", a "Group" and a "Constituent Entity" in Senegal's primary legislation. It is recommended that Senegal introduce these definitions in its domestic legal and administrative framework.

13. No other inconsistencies were identified with respect to Senegal's domestic legal framework in relation with the parent entity filing obligation.

(b) Scope and timing of parent entity filing

14. The first filing obligation for a CbC report in Senegal commences in respect of fiscal periods commencing on or after 1 January 2018. The CbC report must be filed within 12 months after the closing of the fiscal year.

15. Senegal's primary law states that the content and format of the CbC report will be set by a ministerial decree.[2] It is recommended that Senegal publish the ministerial decree in due course, prescribing all of, and only, the information as contained in the template in the Action 13 Report (Annex III to Chapter V of Transfer Pricing Documentation – Country-by-Country Report) with regard to each jurisdiction in which the MNE Group operates.

16. According to Senegal's legislation, the filing of a CbC report may be requested from a Constituent Entity in Senegal in certain circumstances (local filing) with respect a legal person which would have been required to file a CbC report if it were established in Senegal. With respect to entities established in Senegal, the legislation provides for an annual consolidated revenue threshold of XOF 491 000 000 000 (CFA Francs).[3] While this provision would not create an issue for MNE Groups whose Ultimate Parent Entity is a tax resident in Senegal, it may however be incompatible with the guidance on currency fluctuations for MNE Groups whose Ultimate Parent Entity is located in another jurisdiction, if local filing requirements were applied in respect of a Constituent Entity (which is tax resident in Senegal) of an MNE Group which does not reach the threshold as determined in the jurisdiction of the Ultimate Parent Entity of such Group.[4] It is thus recommended that Senegal amend or otherwise clarify that this rule would apply in a manner consistent with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Senegal.

17. No other inconsistencies were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

18. Senegal has introduced local filing requirements as from the reporting period starting on or after 1 January 2018.[5] A legal person established in Senegal that is owned or controlled, directly or indirectly, by a legal person established in a state or territory which is not listed in an officially published list of state or territories (which have adopted regulations imposing the filing of a CbC report similar to that required in Senegal, which have concluded an agreement with Senegal for the automatic exchange of CbC reports and which comply with the obligations arising from such agreement)[6], and which would be required to file the CbC report if it were established in Senegal, shall file the CbC report(a) if it has been designated by the group for that purpose and has informed the tax authorities accordingly; or(b) if it cannot demonstrate that another entity of the group, located in Senegal, or in a country or territory included in the above list, has been designated for that purpose.[7]

19. With respect to the conditions under which local filing may be required (paragraph 8(c) iv. b) of the terms of reference), under Senegal's legislation, local filing applies where an MNE Group has a Constituent Entity established in Senegal which is not the Ultimate Parent Entity of the group, and the jurisdiction of residence of the Ultimate Parent Entity of the MNE Group does not have an international agreement with Senegal allowing the

automatic exchange of CbC reports. Paragraph 8(c) iv. b) of the terms of reference provides that a jurisdiction may require local filing if "the jurisdiction in which the Ultimate Parent Entity is resident for tax purposes has a current International Agreement to which the given jurisdiction is a party but does not have a Qualifying Competent Authority Agreement in effect to which this jurisdiction is a party by the time for filing the Country-by-Country Report". This is narrower than the above condition in Senegal's legislation. Under Senegal's legislation, local filing may be required in circumstances where there is no current international agreement between Senegal and the residence jurisdiction of the Ultimate Parent Entity. It is recommended that Senegal amend its primary law or otherwise ensure that local filing only occurs in the circumstances permitted under the minimum standard and set out in the terms of reference, in particular to prevent local filing in the absence on an international agreement.

20. With respect to the conditions under which local filing may be required (paragraph 8(c) iv. c) of the terms of reference), under Senegal's legislation, local filing applies where an MNE group has a Constituent Entity established in Senegal which is not the Ultimate Parent Entity of the Group, and the jurisdiction of the Ultimate Parent Entity has concluded an agreement with Senegal for the automatic exchange of CbC reports but does not comply with the obligations arising from such agreement. Whether these provisions fully reflect the terms of paragraph 8 c) iv. c) of the terms of reference which limit local filing to the instances of "Systemic Failure" as defined in paragraph 21 of the terms of reference (suspension for reasons other than those that are in accordance with the terms of that agreement or persistent failure to automatically provide the CbC report) should be clarified. It is recommended that Senegal amend its primary legislation or otherwise clarify that local filing will only apply if there is a "Systemic Failure".

21. No other inconsistencies were identified in respect of the limitation on local filing. It is noted that, in the absence of a published list (see above), no local filing requirements currently apply in Senegal.

(d) Limitation on local filing in case of surrogate filing

22. Under paragraph 8(d) of the terms of reference, local filing requirements shall not apply when there is surrogate filing in another jurisdiction, including voluntary parent surrogate filing as per the OECD guidance issued in June 2016. Senegal's local filing requirements will not apply if there is surrogate filing in another jurisdiction which is listed in a list of states or territories which have adopted regulations imposing the filing of a CbC report similar to that required in Senegal, which have concluded an agreement with Senegal for the automatic exchange of CbC reports and which comply with the obligations arising from such agreement.

23. It is unclear whether local filing would be "deactivated" in respect of jurisdictions which allow voluntary parent surrogate filing, being noted that the list mentioned above has not yet been published at this point in time. This will be monitored.

24. No other inconsistencies were identified with respect to the limitation on local filing in case of surrogate filing. It is noted that, in the absence of a published list (see comments above), no local filing requirements currently apply in Senegal.

(e) Effective implementation

25. Senegal has introduced penalties in place in relation to the filing of a CbC report for failure to file and late filing.[8] There are however no penalties or enforcement measures in relation to incomplete or erroneous filing of a CbC report. It is recommended that

Senegal implement enforcement measures in case of incomplete or erroneous filing of a CbC report.

26. There are no specific processes in place that would allow Senegal to take appropriate measures in case it is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. As no exchange of CbC reports has yet occurred, no recommendation is made but this aspect will be further monitored.

Conclusion

27. In respect of paragraph 8 of the terms of reference, Senegal has a domestic legal and administrative framework to impose and enforce CbC requirements on MNE Groups whose Ultimate Parent Entity is resident for tax purposes in Senegal. Senegal meets the terms of reference relating to the domestic legal and administrative framework, with the exception of (i) the definitions of "Ultimate Parent Entity", "MNE Group", "Group" and "Constituent Entity" (paragraphs 8(a) i. and iii. and 18 of the terms of reference); (ii) the format and information to be reported in the CbC report (paragraph 8(b) ii. and iv. of the terms of reference); (iii) the annual consolidated group revenue threshold rule (paragraphs 8(a) ii. of the terms of reference); (iv) the local filing conditions (paragraphs 8(c) iv. b) and c) of the terms of reference); (v) the enforcement measures in case of an incomplete or erroneous filing of a CbC report (paragraphs 8(e) of the terms of reference).

28. It is recommended that Senegal finalise its domestic legal and administrative framework as soon as possible. Specifically, it is recommended that Senegal:

- introduce or complete the definitions of an "Ultimate Parent Entity", "MNE Group", "Group" and "Constituent Entity" in a manner that is consistent with the terms of reference;
- publish the content and format of a CbC report;
- amend or otherwise clarify the annual consolidated revenue threshold calculation rule in respect of MNE Groups whose Ultimate Parent Entity is located in a jurisdiction other than Senegal which may deviate from the guidance issued by the OECD;
- amend the conditions for local filing or otherwise take steps to ensure that local filing can only be required in the circumstances contained in the terms of reference; and
- have enforcement measures in place in case of incomplete or erroneous filing.

Part B: The exchange of information framework

(a) Exchange of information framework

29. As of 31 May 2019, Senegal has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Senegal take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Senegal has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. The recommendation in the 2017/2018 peer review remains in place. It is however noted that Senegal will not be exchanging CbC reports in 2019.

(b) Content of information exchanged

30. Senegal does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It is recommended that Senegal have such processes or written procedures in place ahead of its first exchanges of information. It is however noted that Senegal will not be exchanging CbC reports in 2019.

(c) Completeness of exchanges

31. Senegal does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It is recommended that Senegal have such processes or written procedures in place ahead of its first exchanges of information. It is however noted that Senegal will not be exchanging CbC reports in 2019.

(d) Timeliness of exchanges

32. Senegal does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It is recommended that Senegal have such processes or written procedures in place ahead of its first exchanges of information. It is however noted that Senegal will not be exchanging CbC reports in 2019.

(e) Temporary suspension of exchange or termination of QCAA

33. Senegal does not have process or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It is recommended that Senegal have such processes or written procedures in place ahead of its first exchanges of information. It is however noted that Senegal will not be exchanging CbC reports in 2019.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

34. Senegal does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It is recommended that Senegal have such processes or written procedures in place ahead of its first exchanges of information. It is however noted that Senegal will not be exchanging CbC reports in 2019.

(g) Format for information exchange

35. Senegal has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

36. Senegal has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

37. The recommendation in the 2017/2018 peer review for Senegal to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites remains in place and with which it has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

38. Further, it is recommended that Senegal has the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework in place ahead of its first exchanges of information. It is however noted that Senegal will not be exchanging CbC reports in 2019.

Part C: Appropriate use

39. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Senegal to take steps to have measures in place relating to appropriate use remains in place. It is however noted that Senegal will not be exchanging CbC reports in 2019.

Conclusion

40. The recommendation for Senegal take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remain in place. It is however noted that Senegal will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Senegal finalise its domestic legal and administrative framework as soon as possible. Specifically, it is recommended that Senegal: - introduce or complete the definitions of an "Ultimate Parent Entity", "MNE Group", "Group" and "Constituent Entity" in a manner that is consistent with the terms of reference; - publish the content and format of a CbC report; - amend or otherwise clarify the annual consolidated revenue threshold calculation rule in respect of MNE Groups whose Ultimate Parent Entity is located in a jurisdiction other than Senegal which may deviate from the guidance issued by the OECD; - amend the conditions for local filing or otherwise take steps to ensure that local filing can only be required in the circumstances contained in the terms of reference; - have enforcement measures in place in case of incomplete or erroneous filing.
Part B	Exchange of information framework	It is recommended that Senegal take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Senegal has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Senegal have in place the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Senegal take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Notes

[1] It appears that these provisions may in fact trigger an instance of local filing for entities in Senegal when there is no requirement to file CbC report on an entity located in another jurisdiction, which would be considered as their Ultimate Parent Entity as per the terms of reference. However, where such a filing obligation would occur under the "primary" filing provision of Senegal's legislation, it is unclear whether the provisions of paragraph I. 3. of Article 31 ter would apply to (i) allow an MNE Group to designate one Constituent Entity to file the CbC report (see paragraph 8.(c).v. of the terms of reference) and to (ii) deactivate this filing obligation when a CbC report is made available through surrogate filing (see paragraph 8.(d) of the terms of reference).

[2] See Article 31 paragraph I. 2.

[3] See Article 31 paragraph I. 3 which refers back to paragraph 1 which contains the threshold.

[4] See question IV. 1. "Impact of currency fluctuations on the agreed EUR 750 million threshold (June 2016) of the "Guidance on the implementation of country-by-country reporting": www.oecd.org/tax/guidance-on-the-implementation-of-country-by-country-reporting-beps-action-13.pdf.

[5] See paragraph III of Article 31 ter.

[6] See paragraph II of Article 31 ter. Such list shall be set by a ministerial decree. The list has not yet been published.

[7] See Article 31 ter paragraph I.3.

[8] Cf. paragraph b) of Article 667 of the General Tax Code: Failure to produce the CbC report within the legal deadlines is sanctioned by a fine of XOF 25 000 000 (CFA Francs).

Serbia

1. This report is Serbia's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. There is no filing obligation for a CbC report in Serbia yet.

Summary of key findings

2. Serbia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Serbia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

3. It is recommended that Serbia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Serbia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Serbia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Serbia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

6. It is however noted that Serbia will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Serbia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

8. Serbia does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2017 fiscal year. Serbia indicates that Corporate Income Tax Law is being amended to

provide the legal basis for the CbC Reporting implementation. Serbia estimates that the amendment will come into effect by the end of 2019.

9. It is recommended that Serbia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

10. In respect of paragraph 8 of the terms of reference, Serbia does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Serbia. It is recommended that Serbia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Serbia has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Serbia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Serbia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

12. Serbia does not yet have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

13. Serbia does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

14. Serbia does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

15. Serbia does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Serbia does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

17. Serbia has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

18. Serbia has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

19. It is recommended that Serbia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Serbia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

20. Further, it is recommended that Serbia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Serbia will not be exchanging CbC reports in 2019.

Part C: Appropriate use

21. Serbia does not yet have measures in place relating to appropriate use. It is recommended that Serbia take steps to have measures in place relating to appropriate use ahead of the first exchanges of information. It is however noted that Serbia will not be exchanging CbC reports in 2019.

Conclusion

22. It is recommended that Serbia take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information. It is however noted that Serbia will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Serbia take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Serbia take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which it has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Serbia take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Serbia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Seychelles

1. The Seychelles was first reviewed during the 2017/2018 peer review. This report is supplementary to the Seychelles' 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in the Seychelles applies to reporting fiscal years ending on or after the 31 December 2019.

Summary of key findings

2. The Seychelles' implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

3. The recommendation in the 2017/18 peer review, that the Seychelles finalise its domestic legal and administrative framework in relation to CbC requirements as soon as possible, is removed.

Part A: The domestic legal and administrative framework

4. The Seychelles has primary law in place to implement the BEPS Action 13 minimum standard[1], establishing the necessary requirements including the filing and reporting obligations.

(a) Parent entity filing obligation

5. The Seychelles has primary law which imposes a CbC filing obligation on Ultimate Parent Entities of MNE Groups which have a consolidated group revenue above a certain threshold, whereby all required Constituent Entities of the MNE Group are included in the CbC report and no entity is excluded from CbC Reporting other than permitted by the Action 13 report (OECD, 2015).[2]

6. No inconsistencies were identified with respect to the Seychelles' domestic legal framework in relation with the parent entity filing obligation.

(b) Scope and timing of parent entity filing

7. The first filing obligation for a CbC report in the Seychelles commences in respect of fiscal years ending on or after 31 December 2019. The CbC report must be filed within 12 months of the last day of the fiscal year of the MNE Group.

8. No inconsistencies were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

9. The Seychelles does not have a local filing requirement.

(d) Limitation on local filing in case of surrogate filing

10. The Seychelles does not have a local filing requirement.

(e) Effective implementation

11. The Seychelles has legal mechanisms in place to enforce compliance with the minimum standard: there are notification requirement in place that apply to the Seychelles entities. There are also penalties in place in relation to the non-filing or inaccurate filing of a CbC report.

12. The Seychelles does not have a process to take appropriate measures in case it is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. As no exchange of CbC reports has yet occurred no recommendation is made but this aspect will be further monitored.

Conclusion

13. The Seychelles meets all the terms of reference with regard to its domestic and legal framework.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, the Seychelles has no bilateral relationships in place for the exchange of CbC reports. It is recommended that the Seychelles take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which the Seychelles has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

15. The Seychelles does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. The Seychelles does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

17. The Seychelles does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

18. The Seychelles does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. The Seychelles does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

20. The Seychelles has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

21. The Seychelles has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

22. It is recommended that the Seychelles take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which the Seychelles has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

23. Further, it is recommended that the Seychelles take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that the Seychelles will not be exchanging CbC reports in 2019.

Part C: Appropriate use

24. The Seychelles does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for the Seychelles to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

25. There is no change to the conclusion in relation to the appropriate use for the Seychelles since the previous peer review. The recommendation for the Seychelles to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that the Seychelles will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	It is recommended that the Seychelles take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which the Seychelles has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that the Seychelles take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that the Seychelles take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Note

[1] https://www.src.gov.sc/resources/SI/2019/SI25of2019.pdf.

[2] See sections 37(1) of the Amendment.

Sierra Leone

1. This report is Sierra Leone's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. There is no filing obligation for a CbC report in Sierra Leone yet.

Summary of key findings

2. Sierra Leone does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Sierra Leone take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

3. It is recommended that Sierra Leone take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Sierra Leone has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Sierra Leone take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Sierra Leone take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

6. It is however noted that Sierra Leone will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Sierra Leone does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

8. Sierra Leone does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2017 fiscal year.

9. It is recommended that Sierra Leone take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

10. In respect of paragraph 8 of the terms of reference, Sierra Leone does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Sierra Leone. It is recommended that Sierra Leone take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Sierra Leone has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Sierra Leone take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which sierra Leone has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

12. Sierra Leone does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

13. Sierra Leone does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

14. Sierra Leone does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

15. Sierra Leone does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Sierra Leone does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-

compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

17. Sierra Leone has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

(h) Method for transmission

18. Sierra Leone does not yet have processes or written procedures in place that are intended to ensure that an appropriate encryption method and method for electronic data transmission are in place.

Conclusion

19. It is recommended that Sierra Leone take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Sierra Leone has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

20. Further, it is recommended that Sierra Leone take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Sierra Leone will not be exchanging CbC reports in 2019.

Part C: Appropriate use

21. Sierra Leone does not yet have measures in place relating to appropriate use.

22. It is recommended that Sierra Leone to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

23. It is recommended that Sierra Leone take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information. It is however noted that Sierra Leone will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Sierra Leone take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Sierra Leone take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Sierra Leone has an international exchange of information agreement in effect that allows for the automatic exchange of tax information
Part B	Exchange of information framework	It is recommended that Sierra Leone take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Sierra Leone take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Singapore

1. Singapore was first reviewed during the 2017/2018 peer review. This report is supplementary to Singapore's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Singapore applies in respect of financial years beginning on or after 1 January 2017. Singapore also allows its MNE groups to file a CbC report on a voluntary basis, for reporting fiscal years beginning between 1 January 2016 and 31 December 2016 (i.e. "parent surrogate filing").

Summary of key findings

2. Singapore's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Singapore has primary and secondary legislation in place[1] to implement the BEPS Action 13 minimum standard. Guidance has been published.[2]

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

5. Singapore's 2017/2018 peer review included a monitoring point in relation to a "designation provision".[3] The provision will continue to be monitored.

(b) Scope and timing of parent entity filing

6. No changes were identified with respect to the scope and timing of parent entity filing.[4]

(c) Limitation on local filing obligation

7. No changes were identified with respect to the limitation on local filing obligation.[5]

(d) Limitation on local filing in case of surrogate filing

8. No changes were identified with respect to the limitation on local filing in case of surrogate filing.[6]

(e) Effective implementation

9. Singapore's 2017/2018 peer review included a general monitoring point relating to a specific process that would allow Singapore to take appropriate measures in case Singapore is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Singapore reports the following update: if they are notified by another jurisdiction that there are errors in the information sent, Singapore would notify

the Reporting Entity on the error details within 3 business days. Additional time (i.e. 30 calendar days) will be given for the reporting entity to rectify the errors and submit a corrected file. Follow up email reminders will be sent if the reporting entity fails to submit the corrected file by the deadline. In addition, Singapore will investigate the claim and if it is substantiated, penalties may be imposed under Section 105M of the Income Tax Act. In view of this specific procedure, the monitoring point is removed.

10. No changes were identified with respect to the effective implementation.[7]

Conclusion

11. There is no change to the conclusion in relation to the domestic legal and administration framework for Singapore since the previous peer review. Singapore meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

12. As of 31 May 2019, Singapore has 64 bilateral relationships activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, Singapore has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[8] Regarding Singapore's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

13. Singapore has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

14. Singapore has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

15. Singapore has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

16. Despite these procedures, Singapore indicates that a few CbC reports were exchanged late:. Singapore has already taken steps to address the issue causing the lateness so no recommendation is required.

(e) Temporary suspension of exchange or termination of QCAA

17. Singapore has processes and written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes and written procedures.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

18. Singapore has processes and written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes and written procedures.

(g) Format for information exchange

19. Singapore confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

20. Singapore indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

21. Singapore has in place the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Singapore meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

22. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

23. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

24. Singapore meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of sections 105I, 105J, 105K, 105L, 105M, 105N, 105P of the Income Tax Act of Singapore (IRAS): https://sso.agc.gov.sg/Act/ITA1947?ProvIds=P1XXB-#P1XXB-. Secondary legislation consists of the "Country by Country Regulations 2018" (hereafter the "CbCR regulations"), published on 5 February 2018: https://sso.agc.gov.sg/SL/ITA1947-S75-2018?DocDate=20180205.

[2] Guidance consists of the e-Tax Guide first published on 10 Oct 2016 and further revised (edition dated 7 August 2018) by the Inland Revenue Authority of Singapore: https://www.iras.gov.sg/irashome/uploadedFiles/IRASHome/e-Tax_Guides/etaxguide_Income%20Tax_Country-by-Country%20Reporting_3rd.pdf

[3] The provision enables the Comptroller to issue a written notice to a prescribed person whereby this person would not need to comply in relation to the filing of the CbC reports as prescribed by law and whereby the Comptroller may give notice to one or more other Constituent Entities of the MNE group to submit a CbC report in place of the Ultimate Parent Entity (UPE). Singapore has confirmed that this provision has been applied in one case only, which is entirely consistent with the expectation of application only in exceptional cases.

[4] Singapore's 2017/2018 peer review included a monitoring point in relation to the ability of the Comptroller to allow a CbC report to be filed later than the filing deadline as set in the regulations. This monitoring point remains in place.

[5] Singapore's 2017/2018 peer review included a monitoring point whereby if local filing requirements were introduced, these requirements should comply with the terms of reference under paragraph 8 (c). This monitoring point remains in place.

[6] Singapore's 2017/2018 peer review included a monitoring point whereby if local filing requirements were introduced, these requirements should be deactivated in case of surrogate filing in a manner consistent with the terms of reference under paragraph 8 (d). This monitoring point remains in place.

[7] Singapore provides for the following update in respect of effective implementation: the IRAS will identify the relevant Ultimate Parent Entities (UPEs) from databases and send filing notices to them. UPEs who receive the filing notices but are of the view that they are not required to file would need to inform IRAS of the reasons. Reminders may be sent to identified UPEs one month before their filing due dates. To ensure effectiveness, the IRAS may carry out a post-implementation review in mid-2019 to assess whether policies and procedures are working as intended. The filing obligation of the Singapore MNE is not contingent upon the receipt of a filing notice.

[8] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction

Slovak Republic

1. The Slovak Republic was first reviewed during the 2017/2018 peer review. This report is supplementary to Slovak Republic's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in the Slovak Republic applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. The Slovak Republic's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. The Slovak Republic has primary law in place for implementing the BEPS Action 13 minimum standard[1] establishing the necessary requirements, including the filing and reporting obligations. No guidance was published.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. No changes were identified with respect to the effective implementation.

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for the Slovak Republic since the previous peer review. The Slovak Republic meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, the Slovak Republic has 67 bilateral relationships in place for the exchange of CbC reports, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of tax information, Slovak Republic has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that currently meet the confidentiality, consistency and appropriate use conditions. Regarding the Slovak Republic's exchange of information framework, no inconsistencies with the terms of reference were identified.[2]

(b) Content of information exchanged

11. The Slovak Republic has written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

12. Peer input was received from one jurisdiction in relation to the content of information exchanged. No concerns were reported in respect of the content of information exchanged.

(c) Completeness of exchanges

13. The Slovak Republic has written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

14. Peer input was received from one jurisdiction in relation to the completeness of exchanges. No concerns were reported in respect of the completeness of exchanges.

(d) Timeliness of exchanges

15. The Slovak Republic has written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

16. Peer input was received from one jurisdiction in relation to the timeliness of exchanges:.[3] No concerns were reported in respect of the timeliness of exchanges.

(e) Temporary suspension of exchange or termination of QCAA

17. The Slovak Republic has written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

18. Peer input was received from one jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. No concerns were reported in respect of the temporary suspension of exchange or termination of QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. The Slovak Republic has written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

20. Peer input was received from one jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. No concerns were reported in respect of consultation with the other Competent Authority before determining systemic failure or significant non-compliance.

(g) Format for information exchange

21. The Slovak Republic confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[6]) for the international exchange of CbC reports.

22. Peer input was received from one jurisdiction in relation to the format for information exchange. No concerns were reported in respect of the format of information exchange.

(h) Method for transmission

23. The Slovak Republic indicates that it uses the Common Transmission System to exchange CbC reports.[4]

24. Peer input was received from one jurisdiction in relation to the method for transmission. No concerns were reported in respect of the method used for transmission.

Conclusion

25. The Slovak Republic has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. The Slovak Republic meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

26. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

27. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

28. The Slovak Republic meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of Act 43/2017 Coll. amending and supplementing Act No. 442/2012 Coll. on International Assistance and Cooperation in Tax Administration adopted on 1 February 2017. No secondary law was published.

[2] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[3] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

[4] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

Slovenia

1. Slovenia was first reviewed during the 2017/2018 peer review. This report is supplementary to Slovenia's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Slovenia applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Slovenia's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Slovenia has primary and secondary laws in place for implementing the BEPS Action 13 minimum standard establishing the necessary requirements, including the filing and reporting obligations.[1] Guidance has also been published.[2]

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. No changes were identified with respect to the effective implementation.[3]

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for Slovenia since the previous peer review. Slovenia meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, Slovenia has 67 bilateral relationships in place, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Slovenia has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. Regarding Slovenia's exchange of information framework, no inconsistencies with the terms of reference were identified.[4]

(b) Content of information exchanged

11. Slovenia has written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

12. Slovenia has written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

13. Slovenia has written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

(e) Temporary suspension of exchange or termination of QCAA

14. Slovenia has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

15. Slovenia has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

16. No information or peer input was received for the reviewed jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. There are no concerns to be reported in respect of consultation with the other Competent Authority before determining systemic failure or significant non-compliance.

(g) Format for information exchange

17. Slovenia confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

18. No information or peer input was received for the reviewed jurisdiction in relation to the format for information exchange. There are no concerns to be reported in respect of the format of information exchange.

(h) Method for transmission

19. Slovenia indicates that it uses the Common Transmission System to exchange CbC reports.[5]

20. No information or peer input was received for the reviewed jurisdiction in relation to the method for transmission. There are no concerns to be reported in respect of the method used for transmission.

Conclusion

21. Slovenia has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Slovenia meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

22. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

23. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

24. Slovenia meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of a Decree ratifying the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports and an Act amending the Tax Procedure Act (ZDavP-2J) to implement CbC reporting requirements of the BEPS Action 13 and to transpose the EU Council Directive 2016/881/EU as regard to mandatory automatic exchange of information in the field of taxation (DAC4). Enclosure 21of the Rules on the implementation of the Tax Procedure Act was amended to make some minor technical changes to the CbCR XML Schema to include the OECD's September 2017 updates of the User Guide for the OECD's standardized electronic format for the exchange of Country-by-Country (CbC) Reports between jurisdictions – the CbCR XML Schema v1.0.1.

Secondary law implements technical guidance based on the OECD CbCR XML Reporting Schema, detailed guidance for filing CbC reports and the content of the CbC reporting Notification template.

[2] Guidance along with a regularly updated Frequently Asked Questions (FAQ) section is available on the Slovenian tax administration website at: https://www.fu.gov.si/nadzor/podrocja/mednarodna_izmenjava/cbcr/.

[3] Slovenia's 2017/2018 peer review included a general monitoring point relating to a specific process to that would allow to take appropriate measures in case Slovenia is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This monitoring point remains in place.

[4] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[5] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

South Africa

1. South Africa was first reviewed during the 2017/2018 peer review. This report is supplementary to South Africa's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in South Africa applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. South Africa's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. South Africa has primary and secondary laws in place for implementing the BEPS Action 13 minimum standard establishing the necessary requirements, including the filing and reporting obligations.[1]

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.[2] [3]

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. South Africa's 2017/2018 peer review had a monitoring point relating to a specific process. The process was to allow appropriate measures in case South Africa is notified by another jurisdiction that they believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity, or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. South Africa indicates that a notification process is in place.[4] Therefore the monitoring point in South Africa's 2017/2018 peer review is removed.

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for South Africa since the previous peer review. South Africa meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, South Africa has 64 bilateral relationships in place, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, South Africa has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[5] Regarding South Africa's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

11. South Africa has written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

12. Peer input was received from one jurisdiction in relation to the content of information exchanged. No concerns were reported in respect of the content of information exchanged.

(c) Completeness of exchanges

13. South Africa has written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

14. Peer input was received from one jurisdiction in relation to the completeness of exchanges. No concerns were reported in respect of the completeness of exchanges.

(d) Timeliness of exchanges

15. South Africa has written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

16. Peer input was received from one jurisdiction in relation to the timeliness of exchanges:. No concerns were reported in respect of the timeliness of exchanges.[6] [7]

(e) Temporary suspension of exchange or termination of QCAA

17. South Africa has written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

18. Peer input was received from one jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. No concerns were reported in respect of the temporary suspension of exchange or termination of QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. South Africa has written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

20. Peer input was received from one jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. No concerns were reported in respect of consultation with the other Competent Authority before determining systemic failure or significant non-compliance.

(g) Format for information exchange

21. South Africa confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

22. Peer input was received from one jurisdiction in relation to the format for information exchange. No concerns were reported in respect of the format of information exchange.

(h) Method for transmission

23. South Africa indicates that it uses the Common Transmission System to exchange CbC reports.

24. Peer input was received from one jurisdiction in relation to the format for information exchange. No concerns were reported in respect of the format of information exchange.

Conclusion

25. South Africa has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. South Africa meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

26. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

27. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

28. South Africa meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of the amendment to the Tax Administration Act No. 28 of 2011. Secondary law published on 23 December 2016 consists of "Regulations for purposes of paragraph (b) of the definition of "international tax standard" in section 1 of the Tax Administration Act, 2011, promulgated under section 257 of the Act, specifying the changes to the Country-by-Country Reporting Standard for Multinational Enterprises" and a public notice published on 28 October 2016 that sets out the record keeping requirements of CbC Reporting. Other secondary legislation include Public Notice 1117 published on 20 October 2017 that sets out the due dates for the CbC Reports, master files and local files (read with the extension thereof under Public Notice 1308 published on 8 December 2017) and administrative penalties for failure to meet the due dates under Public Notice 241 published on 1 March 2018.

[2] South Africa's 2017/2018 peer review included a monitoring point for South Africa to issue an updated interpretation or clarification of the definitions of "Revenues – Unrelated Party" and "Revenues – Related Party" within a reasonable timeframe to ensure consistency with OECD guidance. This monitoring point remains in place.

[3] South Africa indicates that the extension of the first filing deadline until 28 February 2018 for reporting fiscal years commencing before 1 March 2016 (under the Public Notice 1308 published in section 25 of the Tax Administration Act 2011) did not have any negative impact on the ability of South Africa to meet its obligation to exchange information by the 30 June 2018 deadline.

[4] South Africa indicates that it did receive such a notification from a partner jurisdiction and was able to engage the MNE concerned and a correction message was transmitted to the notifying jurisdiction. South Africa further issued notifications in terms of Section 4 of the Country-by-Country Reporting Multilateral Competent Authority Agreement to other impacted partner jurisdictions.

[5] It is noted that a few Qualifying Competent Authority agreements are not in effect with jurisdictions of the Inclusive Framework that meet the confidentiality condition and have legislation in place: this may be because the partner jurisdictions considered do not have the Convention in effect for the first reporting period, or may not have listed the reviewed jurisdiction in their notifications under Section 8 of the CbC MCAA.

[6] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

[7] South Africa indicates that five MNE Groups were not able to file CbC reports in South Africa and that SARS is currently assisting these entities with the filing of the CbC reports.

Spain

1. Spain was first reviewed during the 2017/2018 peer review. This report is supplementary to Spain's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Spain applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Spain's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2])**,** except for the following:

- It is recommended that Spain amend its legislation or otherwise clarify that the annual consolidated group revenue threshold calculation applies in a manner consistent with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Spain, when local filing requirements are applicable.
- It is recommended that Spain amend its legislation or otherwise clarify the definition of a Constituent Entity to be included in a CbC report in a manner consistent with the terms of reference.
- It is recommended that Spain amend its legislation or otherwise clarify that local filing is only required in the circumstances contained in the terms of reference.

These recommendations remain unchanged since the 2017/2018 peer review. Spain indicates that it is in the process of issuing updated guidance to ensure that local filing is only required in circumstances contained in the terms of reference.

Part A: The domestic legal and administrative framework

3. Spain has primary and secondary legislation[1] in place which implements the BEPS Action 13 minimum standard for reporting fiscal years beginning on or after 1 January 2016.

(a) Parent entity filing obligation

4. Spain's 2017/2018 peer review included a recommendation that Spain amend its rule for the calculation of the annual consolidated group revenue threshold calculation so that it applies in a manner consistent with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Spain, when local filing requirements are applicable. This recommendation remains in place.

5. Spain's 2017/2018 peer review also included a recommendation that Spain amend or otherwise clarify the definition of a Constituent Entity to include those excluded from consolidated financial accounts only on size or materiality grounds. This recommendation remains in place.

6. Spain's 2017/2018 peer review included a monitoring point on the potential exclusion of companies which are not required to produce consolidated financial statements from the filing requirement. This monitoring point remains in place.[2]

(b) Scope and timing of parent entity filing

7. No changes were identified with respect to the scope and timing of parent entity filing. Spain's 2017/2018 peer review included a monitoring point that remains in place.[3]

(c) Limitation on local filing obligation

8. Spain's 2017/2018 peer review included a recommendation that Spain amend its legislation or otherwise take steps to ensure that local filing is only required in the circumstances contained in the terms of reference. This recommendation remains in place. Spain indicates that it is in the process of issuing updated guidance to ensure that local filing is only required in circumstances contained in the terms of reference

(d) Limitation on local filing in case of surrogate filing

9. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

10. With respect to the monitoring point in Spain's 2017/2018 peer review relating to a specific process that would allow to take appropriate measures in case Spain is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report, Spain indicates that the following procedure is applicable: the Reporting Entity will be notified and required to submit or correct or complete the information, without prejudice of the applicable sanctions.[4] In light of this procedure, the monitoring point in Spain's 2017/2018 peer review is removed.

Conclusion

11. There is no change to the conclusion in relation to the domestic legal and administration framework for Spain since the previous peer review. Spain meets all the terms of reference relating to the domestic legal and administrative framework, with the following exceptions:

- It is recommended that Spain amend its legislation or otherwise clarify that the annual consolidated group revenue threshold calculation applies in a manner consistent with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Spain, when local filing requirements are applicable.
- It is recommended that Spain amend its legislation or otherwise clarify the definition of a Constituent Entity to be included in a CbC report in a manner consistent with the terms of reference.
- It is recommended that Spain amend its legislation or otherwise clarify that local filing is only required in the circumstances contained in the terms of reference.

These recommendations remain unchanged since the 2017/2018 peer review. Spain indicates that it is in the process of issuing updated guidance to ensure that local filing is only required in circumstances contained in the terms of reference.

Part B: The exchange of information framework

(a) Exchange of information framework

12. As of 31 May 2019, Spain has 64 bilateral relationships in place for the exchange of CbC reports, including those activated under the CbC MCAA, under bilateral CAAs[5] and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of tax information, Spain has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. Regarding Spain's exchange of information framework, no inconsistencies with the terms of reference were identified.[6]

(b) Content of information exchanged

13. Spain has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

14. Peer input was received from two jurisdictions in relation to the content of information exchanged. There are no concerns to be reported in respect of the content of information exchanged.

(c) Completeness of exchanges

15. Spain has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

16. Peer input was received from two jurisdictions in relation to the completeness of exchanges. There are no concerns to be reported in respect of the completeness of exchanges.

(d) Timeliness of exchanges

17. Spain has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these procedures.

18. Peer input was received from two jurisdictions in relation to the timeliness of exchanges. There are no concerns to be reported in respect of the timeliness of exchanges.

(e) Temporary suspension of exchange or termination of QCAA

19. Spain has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

20. Peer input was received from two jurisdictions in relation to a temporary suspension of exchange or termination of a QCAA. There are no concerns to be reported in respect of the temporary suspension of exchange or termination of QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

21. Spain has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

22. Peer input was received from two jurisdictions in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. There are no concerns to be reported in respect of consultation with the other Competent Authority before determining systemic failure or significant non-compliance.

(g) Format for information exchange

23. Spain confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[2]) for the international exchange of CbC reports. Peer input was received from two jurisdictions in relation to the format for information exchange. There are no concerns to be reported in respect of the format of information exchange.

(h) Method for transmission

24. Spain indicates that it uses the Common Transmission System to exchange CbC reports.[7] Peer input was received from two jurisdictions in relation to the method for transmission. There are no concerns to be reported in respect of the method used for transmission.

Conclusion

25. Spain has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Spain meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

26. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

27. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

28. Spain meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Spain amend its legislation or otherwise clarify that the annual consolidated group revenue threshold calculation applies in a manner consistent with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Spain, when local filing requirements are applicable.
Part A	Domestic legal and administrative framework	It is recommended that Spain amend its legislation or otherwise clarify the definition of a Constituent Entity to be included in a CbC report in a manner consistent with the terms of reference.
Part A	Domestic legal and administrative framework	It is recommended that Spain amend its legislation or otherwise clarify that local filing is only required in the circumstances contained in the terms of reference.
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law consists of Corporate Tax Law, 27/2014, 27th November (Article 18). Secondary legislation consists of Regulation of the corporate tax law (the "regulation"), approved by Royal Decree 634/2015, 10th July (Articles: 13 and 14)). Secondary law consists of an Order of 28 December 2016 approving the Form to be used for filing a CbC report in Spain (Orden HFP/1978/2016, de 28 de diciembre, por la que se aprueba el modelo 231 de Declaración de información país por país: www.boe.es/buscar/doc.php?id=BOE-A-2016-12484).

[2] With respect to the absence in the definition of a "dominant company" of the "deemed listing provision".

[3] With respect to the absence of a provision relating to the "Source of data" to complete a CbC report.

[4] Spain indicates that requests of information have already been made by the Competent Authority in Spain, the State Agency for Tax Administration, both to clarify discrepancies in the information and to require the submission of Country-by-Country reports.

[5] Spain signed a bilateral Competent Authority Agreement with the United Stated on 19 December 2017.

[6] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

[7] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

Sri Lanka

1. Sri Lanka was first reviewed during the 2017/2018 peer review. This report is supplementary to Sri Lanka's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Sri Lanka applies to reporting fiscal years commencing on or after 1 April 2018.

Summary of key findings

2. Sri Lanka has introduced rules (primary[1] and secondary laws) that impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Sri Lanka. Sri Lanka meets all the terms of reference (OECD, 2017[2]) relating to the domestic legal and administrative framework, with the exception of:

- the annual consolidated revenue threshold calculation rules which may deviate from the guidance issued by the OECD. Although such deviation may be unintended, a technical reading of the provision could lead to local filing requirements inconsistent with the Action 13 minimum standard. It is thus recommended that Sri Lanka amend or otherwise clarify this rule so that it would apply in a manner consistent with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent entity is located in a jurisdiction other than Sri Lanka (OECD, 2018[5]).
- Sri Lanka requires local filing despite not meeting the conditions to apply this requirement. It is recommended that Sri Lanka take steps to align its local filing implementation with that required by the Action 13 minimum standard.

3. It is recommended that Sri Lanka take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisite and with which Sri Lanka has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Sri Lanka take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Sri Lanka take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

Part A: The domestic legal and administrative framework

6. Sri Lanka has primary law in place to implement the BEPS Action 13 minimum standard to impose and enforce CbC requirements on MNE groups whose Ultimate Parent Entity is resident for tax purposes in Sri Lanka. Sri Lanka's 2017/2018 peer review

included a recommended that it finalize its domestic legal and administrative framework in relation to CbC requirements as soon as possible. This recommendation is now removed.

(a) Parent entity filing obligation

7. Sri Lanka has introduced a domestic legal and administrative framework which imposes a CbC filing obligation on ultimate Parent Entities of MNE Groups above a certain threshold of revenue, whereby all required Constituent Entities of the MNE Group are included in the CbC report (OECD, 2015).

8. Sri Lanka's Regulations on Transfer Pricing refer to the responsibility to prepare and maintain transfer pricing documentation including the Country-by-Country Report applying to enterprises carrying out controlled transactions with associated enterprises subject to sections of Sri Lanka's primary legislation. This narrows the population of MNEs required to file a CbC report in Sri Lanka and apparently applies an exemption from reporting to MNEs who meet the threshold requirement but do not carry out controlled transactions with associated enterprises. In practice this is very unlikely to be the case for MNEs who would otherwise meet the requirement so no recommendation is made but the situation will be monitored.

9. According to Sri Lanka's regulations, the filing of a CbC report may be requested from a Constituent Entity in the Sri Lanka in certain circumstances, this is local filing. The regulations provide for an annual consolidated revenue threshold of 115 Billion Sri Lankan rupees. While this provision would not create an issue for MNE Groups whose Ultimate Parent Entity is a tax resident in the Sri Lanka, it may however be incompatible with the guidance on currency fluctuations for MNE Groups whose Ultimate Parent Entity is located in another jurisdiction, if local filing requirements were applied in respect of a Constituent entity (which is resident in Sri Lanka) of an MNE group which does not reach the threshold as determined in the jurisdiction of the Ultimate Parent Entity of such Group[2]. It is thus recommended that Sri Lanka amen or otherwise clarify this rule so that it would apply in a manner consistent with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent entity is located in a jurisdiction other than Sri Lanka.

(b) Scope and timing of parent entity filing

10. The first filing obligation for a CbC report in Sri Lanka commences in respect of periods commencing on or after 1 April 2018. The CbC report must be filed within 12 months after the end of the period to which the CbC report of the MNE Group relates.

(c) Limitation on local filing obligation

11. Sri Lanka has introduced local filing requirements as from the reporting period starting on or after 1 April 2018. This requirement implements local filing in circumstances which are not in line with those allowed for local filing under the terms of reference. It is recommended that Sri Lanka take steps to align its local filing implementation with that required by the Action 13 minimum standard.

(d) Limitation on local filing in case of surrogate filing

12. Sri Lanka's local filing requirements will not apply if there is surrogate filing in another jurisdiction. No inconsistencies were identified with respect to the limitation on local filing in the case of surrogate filing.

(e) Effective implementation

13. No changes were identified with respect to the effective implementation.

Conclusion

14. The 2017/18 peer review, recommended that Sri Lanka take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. Sri Lanka has implemented legislation so this recommendation is removed.

15. Sri Lanka meets all the terms of reference relating to the domestic legal and administrative framework, with the exception of:

- the annual consolidated revenue threshold calculation rules which may deviate from the guidance issued by the OECD. Although such deviation may be unintended, a technical reading of the provision could lead to local filing requirements inconsistent with the Action 13 minimum standard. It is thus recommended that Sri Lanka amen or otherwise clarify this rule so that it would apply in a manner consistent with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent entity is located in a jurisdiction other than Sri Lanka.
- Sri Lanka requires local filing despite not meeting the conditions to apply this requirement. It is recommended that Sri Lanka take steps to change its legislation or issue guidance to cancel or suspend the local filing requirement until it meets the standards required.

Part B: The exchange of information framework

(a) Exchange of information framework

16. As of 31 May 2019, Sri Lanka has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Sri Lanka take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Sri Lanka has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

17. Sri Lanka does not yet have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

18. Sri Lanka does not yet have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

19. Sri Lanka does not yet have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

20. Sri Lanka does not yet have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or

termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

21. Sri Lanka does not yet have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

22. Sri Lanka has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

23. Sri Lanka has not confirmed that an appropriate encryption method and method for electronic data transmission are in place.

Conclusion

24. The recommendation in the 2017/2018 peer review for Sri Lanka to take steps to sign the CbC MCAA and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites remains in place.

25. Further, it is recommended that Sri Lanka take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.

Part C: Appropriate use

26. No changes were identified in respect of appropriate use.

27. No information or peer input was received for the reviewed jurisdiction in respect of appropriate use.

Conclusion

28. There is no change to the conclusion in relation to the appropriate use for Sri Lanka since the previous peer review. The recommendation for Sri Lanka to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is thus recommended that Sri Lanka amend or otherwise clarify the annual consolidated group revenue threshold calculation rule applies in a manner consistent with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent entity is located in a jurisdiction other than Sri Lanka.
Part A	Domestic legal and administrative framework	IT is recommended that Sri Lanka take steps to change its legislation or issue guidance to suspend local filing until they have met the conditions on appropriate use.
Part B	Exchange of information framework	It is recommended that Sri Lanka take steps to sign the CbC MCAA and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which it has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Sri Lanka take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Sri Lanka take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Notes

[1] http://www.ird.gov.lk/en/publications/Acts_Income%20Tax_2017/IR_Act_No._24_2017_E.pdf

[2] See question IV. 1. "Impact of currency fluctuations on the agreed EUR 750 million threshold (June 2016) of the "Guidance on the implementation of country-by-country reporting": www.oecd.org/tax/guidance-on-the-implementation-of-country-by-country-reporting-beps-action-13.pdf.

Sweden

1. Sweden was first reviewed during the 2017/2018 peer review. This report is supplementary to Sweden's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Sweden applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Sweden's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Sweden has primary and secondary laws in place for implementing the BEPS Action 13 minimum standard[1] establishing the necessary requirements, including the filing and reporting obligations. Since the 2017/2018 peer review, guidance has also been published and updated.[2] Sweden has provided an update with respect to the processes it has in place to ensure effective implementation.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.[3]

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. Sweden's 2017/2018 peer review included a general monitoring point concerning the fact that was no specific process that would allow it to take appropriate measures in case Sweden is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Sweden has provided updated information, explaining that, in such a situation, a team of tax officers who work under the CbCR Competent Authority function will be assigned to contact the Reporting Entity, which will be required to file a correction of the CbC report. Other appropriate measures will be taken if necessary. Once a corrected CbC report has been submitted to the

Swedish Tax Agency, it will then be exchanged with other jurisdictions shortly thereafter. In view of this update and specific process, the monitoring point is removed.

9. No other changes were identified with respect to the effective implementation.

Conclusion

10. There is no change to the conclusion in relation to the domestic legal and administration framework for Sweden since the previous peer review. Sweden meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Sweden has 65 bilateral relationships, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Sweden has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.[4] Regarding Sweden's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. Sweden has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

13. Peer input was received from one jurisdiction in relation to the content of information exchanged. There are no concerns to be reported in respect of the content of information exchanged.

(c) Completeness of exchanges

14. Sweden has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

15. Peer input was received from one jurisdiction in relation to the completeness of exchanges. There are no concerns to be reported in respect of the completeness of exchanges.

(d) Timeliness of exchanges

16. Sweden has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

17. Peer input was received from one jurisdiction in relation to the timeliness of exchanges. There are no concerns to be reported in respect of the timeliness of exchanges.[5]

(e) Temporary suspension of exchange or termination of QCAA

18. Sweden has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried

out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

19. Peer input was received from one jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. There are no concerns to be reported in respect of the temporary suspension of exchange or termination of QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

20. Sweden has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

21. Peer input was received from one jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. There are no concerns to be reported in respect of consultation with the other Competent Authority before determining systemic failure or significant non-compliance.

(g) Format for information exchange

22. Sweden confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

23. Peer input was received from one jurisdiction in relation to the format for information exchange. There are no concerns to be reported in respect of the format of information exchange.

(h) Method for transmission

24. Sweden indicates that it uses the Common Transmission System to exchange CbC reports.[6]

25. Peer input was received from one jurisdiction in relation to the method for transmission. There are no concerns to be reported in respect of the method used for transmission.

Conclusion

26. Sweden has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Sweden meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

27. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

28. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

29. Sweden meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Primary law implementing CbC Reporting consists of law SFS 2011:1244 amending the Swedish Administrative Tax Code (Skatteförfarandelagen (2011:1244) Chapter 33a). The Swedish tax Agency provided an in-office translation of the CbC reporting sections included in Chapter 33a of the Tax Code.

Sweden indicates that objective of secondary law (Skatteförfarandeförordningen (2011:1261) Ch. 7, par. 2 a) is to ensure that the main business activity(ies) of each constituent entity is stated in accordance with table 2 of the Annex III of the Transfer Pricing documentation – CbC Report.

[2] The Swedish tax agency has published a technical user guide to assist MNEs in complying with Swedish legislation, which follows the OECD schema and guidelines, available at https://www.skatteverket.se/servicelankar/otherlanguages/inenglish/businessesandemployers/declaringtaxesbusinesses/countrybycountryreportscbcrandnotificationsregardingsuchreports.4.b1014b415f3321c0de6db4.html. The user guide, available in Swedish only, has been subsequently been updated three times.

[3] Sweden's 2017/2018 peer review included a monitoring point relating to the conditions under which local filing may be required (paragraph 8 (c) iv. b) of the terms of reference). This monitoring point remains in place.

[4] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction

[5] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

[6] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

Switzerland

1. Switzerland was first reviewed during the 2017/2018 peer review. This report is supplementary to Switzerland's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Switzerland applies to reporting fiscal years commencing on or after 1 January 2018. Switzerland also allows Swiss MNE groups to file a CbC report on a voluntary basis, for reporting fiscal years beginning between 1 January 2016 and 31 December 2017 (i.e. "parent surrogate filing").

Summary of key findings

2. Switzerland's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

Part A: The domestic legal and administrative framework

3. Switzerland has primary and secondary law in place for implementing the BEPS Action 13 minimum standard establishing the necessary requirements, including the filing and reporting obligations.[1] No guidance has been published.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. No changes were identified with respect to the effective implementation.

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for Switzerland since the previous peer review. Switzerland meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, Switzerland has 63 bilateral relationships activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, Switzerland has taken steps to have QCAAs in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency, and appropriate use conditions.[2] Regarding Switzerland's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

11. Switzerland has processes and written guidance in place to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

12. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the content of information exchanged. No concerns were reported.

(c) Completeness of exchanges

13. Switzerland has processes in place that are intended to ensure that reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it will exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

14. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the completeness of exchanges. No concerns were reported.

(d) Timeliness of exchanges

15. Switzerland has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

16. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the timeliness of exchanges. No concerns were reported.[3] Switzerland reports that all of its exchanges were on time.

(e) Temporary suspension of exchange or termination of QCAA

17. Switzerland has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to these processes.

18. One jurisdiction provided peer input for the reviewed jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. No concerns were reported.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Switzerland has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA

or that the other Competent Authority has caused a systemic failure. It has provided details in relation to these processes.

20. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. No concerns were reported.

(g) Format for information exchange

21. Switzerland confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

22. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the format for information exchange. No concerns were reported.

(h) Method for transmission

23. Switzerland indicates that it will use the Common Transmission System to exchange CbC reports for the fiscal years beginning on or after 1 January 2018.

24. Switzerland is currently transmitting reports filed voluntarily via a web File Transfer Protocol service. It will only exchange reports with CTS Single Points of Contact (SPOCs) with which Switzerland has a QCAA in effect with respect to CbC reports. SPOCS have already been informed about this procedure and Switzerland has implemented an internal work instruction that describes in detail the different steps for the exchange process (i.e. reception, processing and transmission of CbC reports).

25. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the method for transmission. No concerns were reported.

Conclusion

26. Switzerland has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. The CbC Reporting Group will monitor Switzerland to ensure that these processes continue to apply when it starts exchanging reports via the Common Transmission System in 2020. Switzerland meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

27. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

28. One jurisdiction provided peer input for the reviewed jurisdiction in relation to appropriate use. No concerns were reported.

Conclusion

29. Switzerland meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] The Swiss Federal Act on the International Automatic Exchange of Country-by-Country Reports of Multinationals ("CbCR law") being the Primary Law in Switzerland (see www.admin.ch/opc/fr/classified-compilation/20162186/index.html, accessed 5 November 2018), the Swiss Ordinance on the International Automatic Exchange of Country-by-Country Reports of Multinationals ("CbCR ordinance") being the Secondary Law in Switzerland (see www.admin.ch/opc/fr/classified-compilation/20171498/index.html, accessed 5 November 2018 and the corresponding explanation report www.newsd.admin.ch/newsd/message/attachments/54040.pdf, accessed 5 November 2018).

[2] It is noted that a few Qualifying Competent Authority agreements are not in effect with jurisdictions of the Inclusive Framework that meet the confidentiality condition and have legislation in place: this may be because the partner jurisdictions considered do not have the Convention in effect for the first reporting period, or may not have listed the reviewed jurisdiction in their notifications under Section 8 of the CbC MCAA.

[3] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

Thailand

1. Thailand was first reviewed during the 2017/2018 peer review. This report is supplementary to Thailand's 2017/2018 peer review report (OECD, 2018[1]). There is no filing obligation for a CbC report in Thailand yet.

Summary of key findings

2. Thailand does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Thailand take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Thailand take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Thailand has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Thailand take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Thailand take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Thailand will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Thailand does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. No changes were identified with respect to the effective implementation.

Conclusion

13. There is no change in relation to the domestic legal and administration framework for Thailand since the previous peer review. The recommendation in the 2017/18 peer review, that Thailand take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, remains in place.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, Thailand has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Thailand take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Thailand has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

15. Thailand does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. Thailand does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

17. Thailand does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

18. Thailand does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Thailand does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the

terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

20. Thailand has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

21. Thailand has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

22. The recommendation in the 2017/2018 peer review for Thailand to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Thailand has an international exchange of information agreement in effect that allows for the automatic exchange of tax information remains in place.

23. Further, it is recommended that Thailand take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Thailand will not be exchanging CbC reports in 2019.

Part C: Appropriate use

24. Thailand does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Thailand to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place. It is however noted that Thailand will not be exchanging CbC reports in 2019.

25. No information or peer input was received for the reviewed jurisdiction in respect of appropriate use.

Conclusion

26. There is no change to the conclusion in relation to the appropriate use for Thailand since the previous peer review. The recommendation for Thailand to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remain in place. It is however noted that Thailand will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Thailand take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Thailand take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Thailand has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Thailand take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Thailand take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Trinidad and Tobago

1. This report is Trinidad and Tobago's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. There is no filing obligation for a CbC report in Trinidad and Tobago yet.

Summary of key findings

2. Trinidad and Tobago does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Trinidad and Tobago take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

3. It is recommended that Trinidad and Tobago take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Trinidad and Tobago has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Trinidad and Tobago take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Trinidad and Tobago take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

6. It is however noted that Trinidad and Tobago will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Trinidad and Tobago does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

8. Trinidad and Tobago does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2018 fiscal year.

9. It is recommended that Trinidad and Tobago take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

10. In respect of paragraph 8 of the terms of reference, Trinidad and Tobago does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Trinidad and Tobago. It is recommended that Trinidad and Tobago take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Trinidad and Tobago has no bilateral relationships activated under the CbC MCAA or bilateral QCAAs. It is recommended that Trinidad and Tobago take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Trinidad and Tobago has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. It is however noted that Trinidad and Tobago will not be exchanging CbC reports in 2019.

(b) Content of information exchanged

12. Trinidad and Tobago does not yet have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

13. Trinidad and Tobago does not yet have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

14. Trinidad and Tobago does not yet have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

15. Trinidad and Tobago does not yet have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Trinidad and Tobago does not yet have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-

compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

17. Trinidad and Tobago has not confirmed the format that will be used for the international exchange of CbC reports

(h) Method for transmission

18. Trinidad and Tobago has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

19. It is recommended that Trinidad and Tobago take steps to put QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Trinidad and Tobago has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

20. Further, it is recommended that Trinidad and Tobago take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Trinidad and Tobago will not be exchanging CbC reports in 2019.

Part C: Appropriate use

21. Trinidad and Tobago does not yet have measures in place relating to appropriate use. It is recommended that Trinidad and Tobago take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

22. It is recommended that Trinidad and Tobago take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information. It is however noted that Trinidad and Tobago will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Trinidad and Tobago take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Trinidad and Tobago take steps to put QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which it has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Trinidad and Tobago take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Trinidad and Tobago take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information.

Tunisia

1. This report if Tunisia's first annual peer review report. Consistent with the agreed methodology this first annual peer review covers: (i) the domestic legal and administrative framework, (ii) certain aspects of the exchange of information framework, as well as (iii) certain aspects of the appropriate use of CbC reports. The first filing obligation for a CbC report in Tunisia commences in respect of periods commencing on or after 1 January 2017.

Summary of key findings

2. Tunisia's domestic legal and administrative framework meets all applicable terms of reference (OECD, 2017[2]) for the year in review, except for the following:

- It is recommended that Tunisia introduce or complete the definitions of "Group", "MNE Group", "Constituent Entity", "Consolidated Financial Statements", "Fiscal Year", "Reporting Fiscal Year", "Qualifying Competent Authority Agreement" and "International Agreement" in a manner that is consistent with the terms of reference;
- It is recommended that Tunisia take steps to ensure that the annual consolidated group revenue threshold calculation rule is applied in a manner consistent with the OECD guidance on currency fluctuations;
- It is recommended that Tunisia take steps to amend the conditions for local filing or otherwise take steps to ensure that local filing can only be required in the circumstances contained in the terms of reference.

3. It is recommended that Tunisia take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Tunisia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Tunisia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Tunisia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Part A: The domestic legal and administrative framework

6. Tunisia has primary law in place for implementing the BEPS Action 13 minimum standard.[1] Tunisia indicates that a regulatory decree is to be published. No guidance has been published yet.

(a) Parent entity filing obligation

7. Tunisia has primary law to impose a CbC filing obligation on Ultimate Parent Entities of MNE Groups. The legislation is however incomplete at this moment. Tunisia indicates that it is currently updating its legal framework, which includes publishing a regulatory decree, which will introduce a number of details.

8. Tunisia does not have definitions of "Group" and "MNE Group" in its primary law. Although the law makes reference to MNE Groups in the definition of Constituent Entity, there is no definition of this term. There is also no definition of "Consolidated Financial Statements", "Fiscal Year", "Reporting Fiscal Year", "Qualifying Competent Authority Agreement"[2] and "International Agreement" in Tunisia's legislation. It is recommended that Tunisia introduce these definitions in its domestic legal and administrative framework. Tunisia notes that intends to introduce all these definitions when finalizing its legal framework.

9. According to Tunisia's primary law, the filing of a CbC report is only requested with respect to MNE Groups with annual consolidated group revenue in the preceding fiscal year which is higher or equivalent to TND 1.638,800 million. While this provision would not create an issue for MNE Groups whose Ultimate Parent Entity is a tax resident in Tunisia, it may however be incompatible with the guidance on currency fluctuations for MNE Groups whose Ultimate Parent Entity is located in another jurisdiction, if local filing requirements were applied in respect of a Constituent Entity (which is tax resident in Tunisia) of an MNE Group which does not reach the threshold as determined in the jurisdiction of the Ultimate Parent Entity of such Group.[3] It is recommended that Tunisia amend its rule for the calculation of the annual consolidated group revenue threshold calculation so that it applies in a manner consistent with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Tunisia, when local filing requirements are applicable. No other inconsistencies were identified with respect to Tunisia's domestic legal framework in relation with the parent entity filing obligation.

(b) Scope and timing of parent entity filing

10. No inconsistencies were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

11. Tunisia has introduced local filing requirements as from the reporting period starting on or after 1 January 2020.[4]. A legal person established in Tunisia that is owned or controlled, directly or indirectly, by a legal person established in a state or territory which is not listed in an officially published list of state or territories[5] (which have adopted regulations imposing the filing of a CbC report similar to that required in Tunisia, which have concluded an agreement with Tunisia for the automatic exchange of CbC reports and which comply with the obligations arising from such agreement), and would be required to file the CbC report if it were established in Tunisia, shall file the CbC report(a) if it has been designated by the group for that purpose and has informed the tax authorities accordingly; or(b) if it cannot demonstrate that another entity of the group, located in Tunisia or in a country or territory included in the above list has been designated for that purpose.

12. With respect to paragraph 8 v.(c) of the terms of reference, there is no provision in Tunisia's primary legislation to provide that, where local filing is required and there is more

than one Constituent Entity of the same MNE Group that is resident for tax purposes in Tunisia, one Constituent Entity could be designated to file the CbC report which would satisfy the filing requirement of all the Constituent Entities of such MNE Group that are resident for tax purposes in Tunisia.

13. It is recommended that Tunisia take steps to amend the conditions for local filing or otherwise take steps to ensure that local filing can only be required in the circumstances contained in the terms of reference

14. No other inconsistencies were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

15. Tunisia's local filing requirements will not apply if there is surrogate filing in another jurisdiction.[6] No inconsistencies were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

16. Tunisia has legal mechanisms in place to enforce compliance with the minimum standard: there are notification mechanisms in place that apply to Ultimate Parent Entities as well as Constituent Entities in Tunisia. There are also penalties in place in relation to the filing of a CbC report for failure[7]: (i) to file a CbC report and (ii) to completely file a CbC report. It is not clear whether the penalty would apply for cases in which the report is not submitted on time.

17. There are no specific processes in place that would allow to take appropriate measures in case Tunisia is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to CbC reporting obligations. As no exchange of CbC reports has yet occurred, no recommendation is made but this aspect will be further monitored.

Conclusion

18. Tunisia's domestic legal and administrative framework meets all applicable terms of reference for the year in review, except for the following:

- It is recommended that Tunisia introduce or complete the definitions of a " "Group", "MNE Group", "Constituent Entity", "Consolidated Financial Statements", "Fiscal Year", "Reporting Fiscal Year", "Qualifying Competent Authority Agreement" and "International Agreement" in a manner that is consistent with the terms of reference;
- It is recommended that Tunisia take steps to ensure that the annual consolidated group revenue threshold calculation rule is applied in a manner consistent with the OECD guidance on currency fluctuations;
- It is recommended that Tunisia take steps to amend the conditions for local filing or otherwise take steps to ensure that local filing can only be required in the circumstances contained in the terms of reference.

Part B: The exchange of information framework

(a) Exchange of information framework

19. As of 31 May 2019, Tunisia has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Tunisia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Tunisia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. It is however noted that Tunisia will not be exchanging CbC reports in 2019.

(b) Content of information exchanged

20. Tunisia does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

21. Tunisia does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

22. Tunisia does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

23. Tunisia does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

24. Tunisia does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

25. Tunisia has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

26. Tunisia has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports

Conclusion

27. It is recommended that Tunisia take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and

appropriate use prerequisites and with which Tunisia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

28. Further, it is recommended that Tunisia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Tunisia will not be exchanging CbC reports in 2019.

Part C: Appropriate use

29. Tunisia does not yet have measures in place relating to appropriate use. It is recommended that Tunisia to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information.

Conclusion

30. It is recommended that Tunisia take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information. It is however noted that Tunisia will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Tunisia introduce or complete the definitions of a " "Group", "MNE Group", "Constituent Entity", "Consolidated Financial Statements", "Fiscal Year", "Reporting Fiscal Year", "Qualifying Competent Authority Agreement" and "International Agreement" in a manner that is consistent with the terms of reference;
Part A	Domestic legal and administrative framework	It is recommended that Tunisia take steps to ensure that the annual consolidated group revenue threshold calculation rule is applied in a manner consistent with the OECD guidance on currency fluctuations;
Part A	Domestic legal and administrative framework	It is recommended that Tunisia amend the conditions for local filing or otherwise take steps to ensure that local filing can only be required in the circumstances contained in the terms of reference
Part A	Domestic legal and administrative framework	It is recommended that Tunisia implement a provision whereby a single Constituent Entity of the same MNE Group may be designated to file the CbC report which would satisfy the local filing requirement of all the Constituent Entities in Tunisia.
Part B	Exchange of information framework	It is recommended that Tunisia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Tunisia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Tunisia take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Tunisia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Notes

[1] Tunisia's primary law consists of Articles "17 ter" and "84 décies" of the Income Tax Act (primary law).

[2] Paragraph 19 of the terms of reference. There is a reference to "Qualifying Competent Authority Agreement" in the definition for "Systematic Failure".

[3] See question IV. 1. "Impact of currency fluctuations on the agreed EUR 750 million threshold (June 2016) of the "Guidance on the implementation of country-by-country reporting": www.oecd.org/tax/guidance-on-the-implementation-of-country-by-country-reporting-beps-action-13.pdf.

[4] See art. "17 ter" of the primary law.

[5] Tunisia indicates that this list of states or territories which have adopted regulations imposing the filing of a CbC report similar to that required in Tunisia, which have concluded an agreement with Tunisia for the automatic exchange of CbC reports and which comply with the obligations arising from such agreement, will be prepared before the first filing obligation period to take into account jurisdictions which will meet the required conditions by then.

[6] See article "17ter" of the primary law.

[7] See article "84 décies" of the primary law.

Turkey

1. Turkey was first reviewed during the 2017/2018 peer review. This report is supplementary to Turkey's 2017/2018 peer review report (OECD, 2018[1]). There is no filing obligation for a CbC report in Turkey yet.

Summary of key findings

2. Turkey does not yet have complete legislation in place for implementing the BEPS Action 13 minimum standard.

- It is recommended that Turkey take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.
- It is recommended that Turkey amend the conditions for local filing or otherwise take steps to ensure that the CbC reporting local filing obligations will only apply in the circumstances contained in the terms of reference (OECD, 2017[2]). This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Turkey take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisite and with which Turkey has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Turkey take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Turkey take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Turkey will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Turkey does not yet have legislation in place for fully implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. No changes were identified with respect to the effective implementation.

Conclusion

13. There is no change in relation to the domestic legal and administration framework for Turkey since the previous peer review. The recommendations in the 2017/18 peer review, that Turkey take steps to fully implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible and ensure that local filing applies only in the circumstances allowed under the terms of reference, remain in place.

Part B: The exchange of information framework

(a) Exchange of information framework

14. As of 31 May 2019, Turkey has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Turkey take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Turkey has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

15. Turkey does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

16. Turkey does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

17. Turkey does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

18. Turkey does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a

relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Turkey does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

20. Turkey has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

21. Turkey has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

22. Turkey's 2017/2018 peer review recommended that Turkey take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Turkey has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. The recommendation to have QCAAs in effect remains in place.

23. Further, it is recommended that Turkey take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Turkey will not be exchanging CbC reports in 2019.

Part C: Appropriate use

24. Turkey does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Turkey to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place. It is however noted that Turkey will not be exchanging CbC reports in 2019.

25. No information or peer input was received for the reviewed jurisdiction in respect of appropriate use.

Conclusion

26. There is no change to the conclusion in relation to the appropriate use for Turkey since the previous peer review. The recommendation for Turkey to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that Turkey will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Turkey take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part A	Domestic legal and administrative framework	It is recommended that Turkey and the conditions for local filing or otherwise take steps to ensure that the CbC reporting local filing obligations will only apply in the circumstances contained in the terms of reference.
Part B	Exchange of information framework	It is recommended that Turkey take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisite and with which Turkey has an international exchange of information agreement in effect that allows for the automatic exchange of tax information s.
Part B	Exchange of information framework	It is recommended that Turkey take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Turkey take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Turks and Caicos Islands

1. This report is the Turks and Caicos Island's (TCI) first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. The first filing obligation for a CbC report in the TCI applies to reporting fiscal years ending on or after 1 January 2020.

Summary of key findings

2. TCI meets all the terms of reference (OECD, 2017[2]) relating to the domestic legal and administrative framework for implementing the BEPS Action 13 minimum standard.

3. It is recommended that TCI take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of the first exchanges of information.

4. It is however noted that TCI will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

5. TCI has primary[1] and secondary[2] legislation in place to implement the BEPS Action 13 minimum standard to impose and enforce CbC requirements on MNE groups whose Ultimate Parent Entity is resident for tax purposes in TCI.

(a) Parent entity filing obligation

6. TCI has introduced a domestic legal and administrative framework which imposes a CbC filing obligation on Ultimate Parent Entities of MNE Groups above a certain threshold of revenue, whereby all required Constituent Entities of the MNE Group are included in the CbC report and no entity is excluded from CbC Reporting other than permitted by the Action 13 report (OECD, 2015).

(b) Scope and timing of parent entity filing

7. The first filing obligation for a CbC report in TCI commences in respect of fiscal years ending after 1 January 2020. The CbC report must be filed within 12 months after the end of the period to which the CbC report of the MNE Group relates.

(c) Limitation on local filing obligation

8. TCI does not impose a local filing requirement.

(d) Limitation on local filing in case of surrogate filing

9. TCI does not impose a local filing requirement.

(e) Effective implementation

10. TCI has legal mechanisms in place to enforce compliance with the minimum standard: TCI confirms that it has penalty provisions for non-compliance with CbC obligations and also the power to audit where there is non-compliance with the filing obligation.

Conclusion

11. TCI has a domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in TCI. TCI meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

12. As of 31 May 2019, TCI has 51 bilateral relationships in place for the exchange of CbC reports including those activated under the CbC MCAA and under bilateral QCAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, TCI has taken steps to have Qualifying Competent Authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions[3]. Regarding TCI's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

13. TCI does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

14. TCI does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

15. TCI does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

16. TCI does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

17. TCI does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

18. TCI confirms that it will use the OECD XML Schema for the exchange of CbC reports.

(h) Method for transmission

19. TCI does not have processes or written procedures in place that are intended to ensure that an appropriate encryption method and method for electronic data transmission are in place.

Conclusion

20. It is recommended that TCI take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that TCI will not be exchanging CbC reports in 2019.

Part C: Appropriate use

21. TCI is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. It is therefore not necessary for this peer review evaluation to reach any conclusions with respect to appropriate use of the reports.

Conclusion

22. TCI is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. It is therefore not necessary for this peer review evaluation to reach any conclusions with respect to TCI' compliance with paragraphs 11(a), (b), (c) and (d) and paragraph 12(a) of the terms of reference on appropriate use.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	It is recommended that TCI take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	-

Notes

[1] http://online.fliphtml5.com/fizd/zsbx/.

[2] http://online.fliphtml5.com/fizd/guws/#p=3.

[3] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

Ukraine

1. Ukraine was first reviewed during the 2017/2018 peer review. This report is supplementary to Ukraine's 2017/2018 peer review report (OECD, 2018[1]). There is no filing obligation for a CbC report in Ukraine yet.

Summary of key findings

2. Ukraine does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

- It is recommended that Ukraine take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Ukraine take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Ukraine has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Ukraine take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Ukraine take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Ukraine will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. Ukraine does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. Ukraine has drafted primary legislation to implement CbC requirements which it expects will take effect in 2019.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

Conclusion

8. There is no change in relation to the domestic legal and administration framework for Ukraine since the previous peer review. The recommendation in the 2017/18 peer review, that Ukraine take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, remains in place.

Part B: The exchange of information framework

(a) Exchange of information framework

9. As of 31 May 2019, Ukraine has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Ukraine take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Ukraine has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

10. Ukraine does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

11. Ukraine does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

(d) Timeliness of exchanges

12. Ukraine does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

13. Ukraine does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

14. Ukraine does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

(g) Format for information exchange

15. Ukraine has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

16. Ukraine has not confirmed that an appropriate encryption method and method for electronic data transmission are in place.

Conclusion

17. The recommendation in the 2017/2018 peer review for Ukraine to take steps to sign the CbC MCAA and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Ukraine has an international exchange of information agreement in effect that allows for the automatic exchange of tax information remains in place.

18. Further, it is recommended that Ukraine take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Ukraine will not be exchanging CbC reports in 2019.

Part C: Appropriate use

19. Ukraine does not yet have measures in place relating to appropriate use. The recommendation in the 2017/2018 peer review for Ukraine to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

20. There is no change to the conclusion in relation to the appropriate use for Ukraine since the previous peer review. The recommendation for Ukraine to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that Ukraine will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Ukraine take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Ukraine take steps to sign the CbC MCAA and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which it has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Ukraine take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Ukraine take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

United Arab Emirates

1. This report is the United Arab Emirates' (UAE) first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. There is no filing obligation for a CbC report in UAE yet.

Summary of key findings

2. UAE does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is however in the final stages of drafting legislation and expects this to be in force by the end of 2019.

3. It is recommended that UAE take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

4. It is recommended that UAE take steps to put QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which UAE has an international exchange of information agreement in effect that allows for the automatic exchange of tax information[1].

5. It is recommended that UAE take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

6. It is however noted that UAE will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. UAE does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is however in the final stages of drafting legislation and expects this to be in force by the end of 2019.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

8. UAE does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2017 fiscal year.

9. It is recommended that UAE take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

10. In respect of paragraph 8 of the terms of reference, UAE does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in UAE. It is recommended that UAE take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, UAE has no bilateral relationships in place for the exchange of CbC reports. It is recommended that UAE take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which UAE has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

12. UAE does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

13. UAE does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

14. UAE does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

15. UAE does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. UAE does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

17. UAE has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

18. UAE has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports

Conclusion

19. It is recommended that UAE take steps to put QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which UAE has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

20. Further, it is recommended that UAE take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that UAE will not be exchanging CbC reports in 2019.

Part C: Appropriate use

21. UAE is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. It is therefore not necessary for this peer review evaluation to reach any conclusions with respect to appropriate use of the reports.

Conclusion

22. UAE is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. It is therefore not necessary for this peer review evaluation to reach any conclusions with respect to UAE's compliance with paragraphs 11(a), (b), (c) and (d) and paragraph 12(a) of the terms of reference on appropriate use.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that UAE take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that UAE take steps to put QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites. and with which UAE has an international exchange of information agreement in effect that allows for the automatic exchange of tax information
Part B	Exchange of information framework	It is recommended that UAE take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	-

Notes

[1] The UAE has provided information that legislation to implement the BEPS Action 13 minimum standard was introduced in the Cabinet of Ministers Resolution Number 32 of 2019, concerning the Regulation of the Submission of Reports by Multinational Companies, which was issued and came into force on 30 April 2019. This information was provided after work on the current peer review was completed, but will be taken into account in the next peer review of jurisdictions' implementation of the BEPS Action 13 minimum standard, to be completed in 2020.

United Kingdom

1. The United Kingdom was first reviewed during the 2017/2018 peer review. This report is supplementary to the United Kingdom's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in the United Kingdom applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. The United Kingdom's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]).

3. The United Kingdom's 2017/2018 peer review report noted that its annual consolidated revenue threshold calculation rule in respect of MNE Groups whose Ultimate Parent Entity is located in a jurisdiction other than the United Kingdom could, albeit unintentionally, lead to local filing requirements inconsistent with the Action 13 standard. The report therefore included a recommendation that the United Kingdom monitor this rule and take steps to address it, should it become an issue. The United Kingdom has since introduced an 'extra statutory concession', published within its domestic CbC guidance to ensure that local filing is imposed in line with OECD guidance.[1] This recommendation has thus been removed.

Part A: The domestic legal and administrative framework

4. The United Kingdom has primary and secondary laws to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations.

(a) Parent entity filing obligation

5. The United Kingdom's 2017/2018 peer review included a recommendation in relation to the annual consolidated group revenue calculation rule. The report noted that the operation of this rule would be further monitored, including by the United Kingdom. It was recommended that if the operation of the rule became an issue, the United Kingdom would at that time take steps to ensure that it applies in a manner consistent with the OECD guidance on currency fluctuations. The United Kingdom has since introduced an 'extra statutory concession', published within its domestic CbC guidance, clarifying the application of local filing with respect to currency fluctuations. This recommendation has thus been removed.

(b) Scope and timing of parent entity filing

6. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

7. No changes were identified with respect to the limitation on local filing. The United Kingdom's 2017/2018 peer review included monitoring points[2] that remains in place.

(d) Limitation on local filing in case of surrogate filing

8. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

9. The United Kingdom's 2017/2018 peer review included a general monitoring point relating to a specific process to that would allow to take appropriate measures in case the United Kingdom is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. The UK confirms that any contact from another jurisdiction will come though the UK JITSIC team. The CbC experts are embedded within the JITSOC team and are the first point of contact for CbC questions. JITSIC will liaise with the part of HMRC that is responsible for the customer (large business or medium sized businesses). Contact is then made with the customer to obtain further information to complete the CbC report. A similar process will be followed if the issue raised is non-compliance with the filing obligation. If required the UK CbC legislation includes a power to audit a report including corresponding information powers. This monitoring point is now removed. [3]

Conclusion

10. In light of the steps taken since its 2017/2018 peer review to clarify the local filing obligations with respect to currency fluctuations, the United Kingdom now meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, the United Kingdom has 68 bilateral relationships, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, the United Kingdom has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which the United Kingdom has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.[4] Regarding the United Kingdom's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. The United Kingdom has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

13. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the content of information exchanged. No concerns were reported.

(c) Completeness of exchanges

14. The United Kingdom has processes and written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

15. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the completeness of exchanges. No concerns were reported.

(d) Timeliness of exchanges

16. The United Kingdom has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

17. Despite its procedures, the UK reports late exchanges of CbC reports:.[5] However, the UK also indicates that it has taken steps in order to ensure that any future exchanges of CbC reports be carried out in accordance with the timelines provided for in the relevant QCAAs and terms of reference and therefore no recommendation is made.

18. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the timeliness of exchanges. No concerns were reported.

(e) Temporary suspension of exchange or termination of QCAA

19. The United Kingdom has procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those procedures.

20. One jurisdiction provided peer input for the reviewed jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. No concerns were reported.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

21. The United Kingdom has procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those procedures.

22. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. No concerns were reported.

(g) Format for information exchange

23. The United Kingdom confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports. The United Kingdom indicates that it has its own HMRC schema guidance which mirrors the OECD Used Guide but omits the parts of the OECD Schema which apply to XMLs for exchange between jurisdictions.

24. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the format for information exchange. No concerns were reported.

(h) Method for transmission

25. The United Kingdom uses the Common Transmission System to exchange CbC reports.[6]

26. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the method for transmission. No concerns were reported.

Conclusion

27. The United Kingdom has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. The United Kingdom meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

28. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

29. One jurisdiction provided peer input for the reviewed jurisdiction in relation to appropriate use. No concerns were reported.

Conclusion

30. The United Kingdom meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] https://www.gov.uk/hmrc-internal-manuals/international-exchange-of-information/ieim300023

[2] With respect to the conditions under which local filing may be required (paragraph 8 (c) iv. b) and c) of the terms of reference).

[3] The United Kingdom's 2017/2018 peer review included a general monitoring point relating to a specific process to that would allow to take appropriate measures in case the United Kingdom is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This monitoring point remains in place

[4] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction

[5] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

[6] Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).

United States

1. The United States was first reviewed during the 2017/2018 peer review. This report is supplementary to the United States' 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in the United States applies to reporting fiscal years commencing on or after 1 July 2016. The United States also allows its MNE groups to file a CbC report on a voluntary basis, for reporting fiscal years beginning between 1 January 2016 and 30 June 2016 (i.e. "parent surrogate filing").

Summary of key findings

2. The United States' implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017[2]) relating to the domestic legal and administrative framework, with the exception of:

- the exclusion of revenue other than "unrelated business taxable income" from the definition of revenues for certain tax exempt entities. This recommendation remains unchanged since the 2017/2018 peer review.

3. The United States implementation of the Action 13 minimum standard meets all applicable terms of reference relating to the exchange of information framework, with the exception of:

- the United States' competent authority should continue to work actively towards signing bilateral competent authority arrangements with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, and with which the United States has an agreement in effect that allows for the automatic exchange of information. This recommendation remains unchanged since the 2017/2018 peer review.

Part A: The domestic legal and administrative framework

4. The United States has primary and secondary laws in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.

(a) Parent entity filing obligation

5. The United States' 2017/2018 peer review included a recommendation that the United States ensure that the definition of "consolidated group revenue" for the purposes of applying the threshold is consistent with the definition in the Action 13 minimum standard as further clarified by OECD guidance. This recommendation remains in place.

6. With respect to paragraph 8(a) iv. of the terms of reference, since 30 March 2018 the United States' rules provide for modifications to the reporting requirements for U.S. MNE groups that are "specified national security contractors".[1] An MNE group with a UPE

organized in or having tax residence in the United States is a specified national security contractor if more than 50 per cent of the MNE group's annual revenue in the preceding reporting period, as determined in accordance with US GAAP, is attributable to contracts with the US Department of Defense or other US government intelligence or security agencies. An MNE group that qualifies as a specified national security contractor is permitted to submit a modified CbC report, including aggregated financial and employee data for the entire MNE group in Table 1 and only the UPE's information in Table 2. As a modified CbC report does not contain details of the jurisdiction of any constituent entities other than the UPE, based on national security concerns, the CbC report will not be exchanged with tax administrations in other jurisdictions. The Action 13 Report states at paragraph 55 that "*no exemptions from filing the Country-by-Country Report should be adopted apart from the exemptions outlined in this section*" (the EUR 750 000 000 revenue threshold). The United States has explained that an MNE group that qualifies as a specified national security contractor is nevertheless under a filing obligation but is permitted to submit a modified report as described above. The US has further explained that the basis for modifications to the reporting requirements is that unmodified reports contain information the disclosure of which would be contrary to public policy (*ordre public*) under the provisions of Article 26(3)(c) of the United States Model Income Tax Convention 2016. Such provisions are contained in all of the international agreements that the United States intends to use for the exchange of CbC reports. Further, in order to qualify for the modified reporting, an MNE group must have at least USD 425 000 000 of revenue from relevant contracts in the preceding reporting period. The United States has explained that the number of MNE groups likely to meet this threshold is therefore very limited, and estimates this to be no more than two per cent of MNE groups that would otherwise be within the scope of CbC reporting in the United States in any given fiscal year. The United States IRS will monitor the number of MNE groups claiming the specified national security contractor status and, if the number of MNE groups claiming this status exceeds this estimate, or the IRS has concerns about a particular MNE group's qualification for the modified reporting, the IRS will request further information. If an MNE group filing a modified CbC report does not qualify as a specified national security contractor, penalties may apply. In light of the United States' explanations and the limited number of MNE groups that are likely to qualify for the specified national security contractor status, no recommendation is made, but use of modified reporting will be monitored.

(b) Scope and timing of parent entity filing

7. No changes were identified with respect to the scope and timing of parent entity filing. The United States' 2017/2018 peer review included a recommendation that the United States ensure that the definition of "revenue" for the purposes of completing Table 1 is consistent with the definition in the Action 13 minimum standard as further clarified by OECD guidance. This recommendation remains in place.

(c) Limitation on local filing obligation

8. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

9. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

10. No changes were identified with respect to the effective implementation.

Conclusion

11. There is no change to the conclusion in relation to the domestic legal and administration framework for the United States since the previous peer review. The United States meets all the terms of reference relating to the domestic legal and administrative framework, with the exception of the exclusion of revenue other than unrelated business taxable income from the definition of revenues.

Part B: The exchange of information framework

(a) Exchange of information framework

12. As at 31 May 2019, the United States has 43 bilateral relationships activated under bilateral QCAAs.[2] A number of additional bilateral arrangements are expected to be signed soon. While noting that some time is needed for bilateral negotiations the United States' competent authority should continue to work actively towards signing bilateral competent authority arrangements with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency, and appropriate use conditions, and with which the United States has an agreement in effect that allows for the automatic exchange of information.

(b) Content of information exchanged

13. The United States has procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these procedures.

(c) Completeness of exchanges

14. The United States has procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these procedures.

(d) Timeliness of exchanges

15. The United States has procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these procedures.

16. Despite these procedures, the United States and peer jurisdictions indicate that a number of CbC reports were exchanged late. These late exchanges were due to early system difficulties, which have since been corrected, or to errors in MNE data, which have been or are being corrected using the United States procedures for ensuring correct data, therefore no recommendation is required.

(e) Temporary suspension of exchange or termination of QCAA

17. The United States has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

18. The United States has written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those procedures.

(g) Format for information exchange

19. The United States confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

20. The United States indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

21. The United States has in place the necessary processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

Part C: Appropriate use

22. No changes were identified in respect of appropriate use.

23. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use.

Conclusion

24. The United States meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework – limitation on local filing obligation	It is recommended that the United States ensure that the definition of "consolidated group revenue" for the purposes of applying the threshold is consistent with the definition in the Action 13 minimum standard, as further clarified by OECD guidance; and that the definition of "revenue" for the purposes of completing Table 1 is consistent with the definition in the Action 13 minimum standard, as further clarified by OECD guidance.
Part B	Exchange of information framework	The United States competent authority should continue to work actively towards signing bilateral competent authority arrangements with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which the United States has an agreement in effect that allows for the automatic exchange of information
Part C	Appropriate use	-

Notes

[1] See IRS Notice 2018-31.

[2] In addition, joint statements have been issued by the Competent Authorities of the United States and France and by the Competent Authorities of the United States and Germany expressing the intention to spontaneously exchange CbC reports for fiscal years of MNE groups commencing on or after January 1, 2016 and before January 1, 2017, while bilateral QCAAs is being negotiated.

Uruguay

1. Uruguay was first reviewed during the 2017/2018 peer review. This report is supplementary to Uruguay's 2017/2018 peer review report (OECD, 2018[1]). The first filing obligation for a CbC report in Uruguay commences in respect of periods commencing on or after 1 January 2017.

Summary of key findings

2. Uruguay's domestic and administrative framework meets all of the terms of reference (OECD, 2017[2]) except for the following:

- It is recommended that Uruguay amend its local filing conditions as they are wider than the circumstances when local filing may be required under paragraph 8(c) iv. a) b) and c) of the terms of reference. This recommendation remains unchanged since the 2017/2018 peer review.

3. Uruguay's 2017/2018 peer review included a recommendation that Uruguay finalise its domestic legal and administrative framework in relation to CbC requirements as soon as possible. Uruguay has primary[1] and secondary[2] law in place to implement the BEPS Action 13 minimum standard that impose and enforce CbC requirements on MNE Groups whose Ultimate Parent Entity is resident for tax purposes in Uruguay. Guidance has also been published.[3] This recommendation is removed

4. The 2017/2018 peer review included recommendations to introduce or to complete the definitions of "Ultimate Parent Entity" and "Constituent Entity" and to set a specific amount for the revenue threshold. Uruguay has now introduced these two definitions in accordance with the terms of reference, as well as has set a specific threshold via regulatory decree No. 353 dated 26 October 2018.[4] In light of the update provided by Uruguay, these three recommendations on the parent filing obligation are now removed.

5. The 2017/2018 peer review included recommendations to introduce the deadline to file the CbC report. Uruguay has now introduced[5] a specific deadline that CbC reports have to be filed no later than 12 months after the last day of the reporting Fiscal Year of the MNE Group. In light of the update provided by Uruguay, this recommendation on the filing deadline is now removed.

6. The 2017/2018 peer review included recommendation to implement a provision whereby a single Constituent Entity of the same MNE Group may be designated to file the CbC report which would satisfy the local filing requirement of all the Constituent Entities in Uruguay. Uruguay has now introduced this provision via the guidance.[6] In light of the update provided by Uruguay, this recommendation on the limitation on local filing obligation is now removed.

7. Uruguay's 2017/2018 peer review included a recommendation that Uruguay take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Uruguay now has measures in place to ensure the appropriate use of

information in all six areas identified in the OECD *Guidance on the Appropriate Use of Information contained in CbC Reports* (OECD, 2017[4]). This recommendation is removed.

Part A: The domestic legal and administrative framework

8. Uruguay's 2017/2018 peer review included a recommended that Uruguay finalise its domestic legal and administrative framework in relation to CbC requirements as soon as possible. Uruguay has primary[7] and secondary[8] law in place to implement the BEPS Action 13 minimum standard that impose and enforce CbC requirements on MNE Groups whose Ultimate Parent Entity is resident for tax purposes in Uruguay. Guidance has also been published.[9] This recommendation is removed.

(a) Parent entity filing obligation

9. The 2017/2018 peer review included a recommendation to Uruguay to introduce the definitions of "Ultimate Parent Entity" and "Constituent Entity". Uruguay has now introduced these two definitions in accordance with the terms of reference.[10] In light of the update provided by Uruguay the recommendation on the parent filing obligation is removed.

10. The 2017/2018 peer review included a recommendation to Uruguay to set a specific amount for the revenue threshold. There was a reference to a consolidated revenue threshold above which the filing obligation is triggered, the amount of which would be set in the secondary law. Uruguay indicates that the threshold amount is now specified in the regulatory decree as EUR 750 million[11]. In light of the update provided by Uruguay the recommendation on the revenue threshold is removed.

(b) Scope and timing of parent entity filing

11. The 2017/2018 peer review included a timing requirement for the filing of reports. Uruguay has now introduced[12] a specific deadline that CbC reports have to be filed no later than 12 months after the last day of the reporting Fiscal Year of the MNE Group. In light of the update provided by Uruguay, this recommendation on the filing deadline is now removed.

(c) Limitation on local filing obligation

12. The 2017/2018 peer review included a recommendation to amend its local filing conditions as they are wider than the circumstances when local filing may be required under paragraph 8(c) iv. a) b) and c) of the terms of reference.[13] This recommendation remains in place.

13. The 2017/2018 peer review included a recommendation to implement a provision whereby a single Constituent Entity of the same MNE Group may be designated to file the CbC report which would satisfy the local filing requirement of all the Constituent Entities in Uruguay. Uruguay has now introduced this provision via the guidance.[14] In light of the update provided by Uruguay, this recommendation on the limitation on local filing obligation is now removed.

14. No other inconsistencies were identified with respect to Uruguay's domestic legal framework in relation to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

15. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

16. No changes were identified with respect to the limitation on the effective implementation.[15]

Conclusion

17. Uruguay meets all the terms of reference relating to the domestic legal and administrative framework, with the exception of (i) the local filing conditions (paragraphs 8(c) iv. a) b) and c) of the terms of reference).

18. It is recommended that Uruguay amend its local filing conditions as they are wider than the circumstances when local filing may be required under paragraph 8(c) iv. a) b) and c) of the terms of reference. This recommendation remains unchanged since the 2017/2018 peer review.

Part B: The exchange of information framework

(a) Exchange of information framework

19. As of 31 May 2019 Uruguay has 63 bilateral relationships, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, Uruguay has taken steps to have Qualifying Competent Authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. No inconsistencies with the terms of reference were identified.[16]

(b) Content of information exchanged

20. Uruguay has written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged.

(c) Completeness of exchanges

21. Uruguay has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

22. Uruguay has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.[17]

(e) Temporary suspension of exchange or termination of QCAA

23. Uruguay has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

24. Uruguay has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination

that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

25. Uruguay confirms that it uses the OECD XML Schema and User Guide (OECD, 2017[3]) for the international exchange of CbC reports.

(h) Method for transmission

26. Uruguay indicates that it intends to use the Common Transmission System to exchange CbC reports.

Conclusion

27. Uruguay has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Uruguay meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

28. The 2017/2018 peer review included a recommendation that Uruguay take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Uruguay now has measures in place to ensure the appropriate use of information in all six areas identified in the OECD *Guidance on the Appropriate use of Information contained in CbC Reports* (OECD, 2017[4]). The recommendation is removed.

Conclusion

29. Uruguay meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Uruguay amend the conditions for local filing or otherwise take steps to ensure that local filing can only be required in the circumstances contained in the terms of reference.
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

[1] Uruguay's primary law consists of Law 19.484 of 5 January 2017, which is available at https://parlamento.gub.uy/documentosyleyes/leyes/ ley/19484.

[2] Uruguay's secondary law consists of Decree Nº 353/018 of 26 October 2018, which is available at https://medios.presidencia.gub.uy/legal/2018/decretos/10/mef_2061.pdf.

[3] Guidance consists of Resolution 94/019 from DGI (Tax Administration) and the file "*formato informe país por país version 1.0.*" and is available at https://servicios.dgi.gub.uy/cbc/cbc-principal?es.

[4] See articles 6 and 7 of Decree No. 353 dated 26 October 2018.

[5] See article 9 of Decree No. 353 dated 26 October 2018.

[6] See resolution 94/2019 from DGI (Tax Administration), number 9.

[7] Uruguay's primary law consists of Law 19.484 of 5 January 2017, which is available at https://parlamento.gub.uy/documentosyleyes/leyes/ ley/19484.

[8] Uruguay's secondary law consists of Decree Nº 353/018 of 26 October 2018, which is available at https://medios.presidencia.gub.uy/legal/2018/decretos/10/mef_2061.pdf.

[9] Guidance consists of Resolution 94/019 from DGI (Tax Administration) and the file "*formato informe país por país version 1.0.*" and is available at https://servicios.dgi.gub.uy/cbc/cbc-principal?es.

[10] Article 6 - Member entity of a Multinational Group - To the sole effects of the provisions of this decree, the related party condition provided by the second paragraph of article 46 ter of Title 4 of the 1996 T.O. shall be triggered when the entity is part of a Multinational Group. To such effects, an entity shall be considered part of a Multinational Group when any of the following conditions is verified: a) It is included in the consolidated financial statements of the Multinational Group for reporting purposes, or would be so included if equity interests in such entity were traded on a public security exchange market. b) It is excluded from the Multinational Group´s consolidated financial statements solely on size or relevance. The permanent establishment of the entities included in paragraph(a) or(b) will be considered members of the Multinational Group in all cases. Article 7 - Ultimate parent entity of a Multinational Group - The ultimate parent entity of a Multinational Group shall be the one that owns directly or indirectly an interest in another or other entities that compose such Multinational Group, that is required to prepare consolidated financial statements pursuant to the accounting principles generally applied in its jurisdiction of tax residence, or would be so required if its equity interests were traded on a public securities exchange market in the jurisdiction of its tax residence. If there is another entity that directly or indirectly holds a share in the capital of the entity referred to in the preceding paragraph, and it is also required to prepare consolidated financial statements under the conditions referred to in said subsection, this other entity shall be the reputed ultimate parent entity.

[11] See fourth subparagraph, article 46 ter, Title 4 of the 1996 T.O.: "*the multinational groups of large economic dimension, mentioned in the first subparagraph of this article, will be those whose consolidated revenue exceeds the threshold amount set by the Executive Branch*"

[12] See article 9 of Decree No. 353 which says: "*The taxpayer must file the special tax returns regarding the Country-by-country Report and Master File, within 12 months following the closing of the reporting year, under the terms and conditions determined by the DGI."*

[13] See fifth subparagraph, article 46 ter, Title 4 of the 1996 T.O.

[14] See resolution 94/2019, number 9.

[15] Uruguay's 2017/2018 peer review included a monitoring point relating to the absence of specific processes in place that would allow Uruguay to take appropriate measures in case it is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This aspect will be further monitored once the actual exchanges of CbC reports will commence. This monitoring point remains in place.

[16] No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction

[17] Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

Viet Nam

1. This report is Viet Nam's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. The filing obligation for a CbC report in Viet Nam applies to reporting fiscal years commencing on or after 1 May 2017.

Summary of key findings

2. Viet Nam's implementation of the Action 13 domestic legal and administrative framework meets all applicable terms of reference (OECD, 2017[2]), except that:

- It is recommended that Viet Nam take steps to amend its legislation or otherwise issue detailed definitions and requirements to bring it in line with the Action 13 minimum standard
- It is recommended that Viet Nam take steps to amend its legislation or otherwise clarify that local filing in Viet Nam is only required in line with the minimum standard for Action13.
- It is recommended that Viet Nam amend its legislation or otherwise take steps to ensure that enforcement provisions relating to the CbCR's effective implementation are provided for as required by the terms of reference as soon as possible.

3. It is recommended that Viet Nam take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which it has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

4. It is recommended that Viet Nam take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework as soon as possible.

5. It is recommended that Viet Nam take steps to ensure that the appropriate use condition is met as soon as possible.

Part A: The domestic legal and administrative framework

(a) Parent entity filing obligation

6. Viet Nam has primary law which imposes a CbC filing obligation on Ultimate Parent Entities of MNE Groups which have a consolidated group revenue above VND 18,000 billion but does not include definitions of MNE Group, Constituent Entity, or MNE Group in its legislation. It is recommended that Viet Nam take steps to amend its legislation

or otherwise issue detailed definitions and requirements to bring it in line with the Action 13 minimum standard.

(b) Scope and timing of parent entity filing

7. Viet Nam does not include guidance beyond a partial copy of the Action 13 report model template on the contents of a CbC report in its legislation. It also does not specify a filing deadline.

8. It is recommended that Viet Nam take steps to amend its legislation or otherwise issue detailed definitions and requirements to bring it in line with the Action 13 minimum standard.

(c) Limitation on local filing obligation

9. Viet Nam has a requirement for local entities for all MNE groups which have a CbC filing requirement in their UPE's jurisdiction of residence to hold the report filed, for submission in Viet nam if requested. This requirement is a form of local filing which is broader than the minimum standard. In addition, Viet Nam does not have a provision that allows a group to designate one constituent entity to meet the local filing requirements.

10. It is recommended that Viet Nam take steps to amend its legislation to require local filing only as allowed under the terms of the minimum standard.

(d) Limitation on local filing in case of surrogate filing

11. Viet Nam's legislation does not limit local filing in case of surrogate filing.

12. It is recommended that Viet Nam take steps to amend its legislation or otherwise impose a limitation on local filing in case of surrogate filing in line with the Action 13 minimum standard.

(e) Effective implementation

13. Viet Nam has no legal and administrative mechanisms in place to ensure effective implementation of the action 13 minimum standard.

14. It is recommended that Viet Nam take steps to implement a domestic legal and administrative framework to enforce and monitor effective implementation of reporting as soon as possible.

Conclusion

15. It is recommended that Viet Nam take steps to amend its legislation to require local filing only as allowed under the terms of the minimum standard

16. It is recommended that Viet Nam take steps to implement a domestic legal and administrative framework to enforce and monitor effective implementation of reporting as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

17. As of 31 May 2019, Viet Nam has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Viet Nam take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Viet

Nam has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

18. Viet Nam does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged.

(c) Completeness of exchanges

19. Viet Nam does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

20. Viet Nam does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

21. Viet Nam does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

22. Viet Nam does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

23. Viet Nam has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

24. Viet Nam has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

25. It is recommended that Viet Nam take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Viet Nam has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

26. Further, it is recommended that Viet Nam take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.

Part C: Appropriate use

27. Viet Nam does not yet have measures in place relating to appropriate use. It is recommended that Viet Nam take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

28. It is recommended that Viet Nam take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Viet Nam take steps to amend its legislation or otherwise issue detailed definitions and requirements to bring it in line with the Action 13 minimum standard
Part A	Domestic legal and administrative framework	It is recommended that Viet Nam take steps to amend its legislation or otherwise clarify that local filing in Viet Nam is only required in line with the minimum standard for Action13
Part A	Domestic legal and administrative framework	It is recommended that Viet Nam amend its legislation or otherwise take steps to ensure that enforcement provisions relating to the CbCR's effective implementation are provided for as required by the terms of reference as soon as possible.
Part B	Exchange of information framework	It is recommended that Viet Nam take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Viet Nam has an international exchange of information agreement in effect that allows for the automatic exchange of tax information
Part B	Exchange of information framework	It is recommended that Viet Nam take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of the first exchanges of information.
Part C	Appropriate use	It is recommended that Viet Nam take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Zambia

1. This report is Zambia's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. There is no filing obligation for a CbC report in Zambia yet.

Summary of key findings

2. Zambia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

3. It is recommended that Zambia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

4. It is recommended that Zambia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Zambia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

5. It is recommended that Zambia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017[2]) relating to the exchange of information framework ahead of the first exchanges of information.

6. It is recommended that Zambia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

7. It is however noted that Zambia does not currently have international agreements and will not be exchanging CbC reports in 2019

Part A: The domestic legal and administrative framework

8. Zambia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

9. Zambia does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2017 fiscal year.

10. It is recommended that Zambia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Conclusion

11. In respect of paragraph 8 of the terms of reference, Zambia does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Zambia. It is recommended that Zambia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible.

Part B: The exchange of information framework

(a) Exchange of information framework

12. As of 31 May 2019, Zambia has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Zambia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Zambia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

13. Zambia does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

(c) Completeness of exchanges

14. Zambia does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

15. Zambia does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

(e) Temporary suspension of exchange or termination of QCAA

16. Zambia does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

17. Zambia does not yet have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the

terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

18. Zambia has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

19. Zambia has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

20. It is recommended that Zambia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Zambia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

21. It is recommended that Zambia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. It is however noted that Zambia does not currently have international agreements and will not be exchanging CbC reports in 2019.

Part C: Appropriate use

22. Zambia does not yet have measures in place relating to appropriate use. It is recommended that Zambia to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

Conclusion

23. It is recommended that Zambia take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information. It is however noted that Zambia will not be exchanging CbC reports in 2019.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Zambia take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Zambia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Zambia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Zambia take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	It is recommended that Zambia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

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Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 2)

INCLUSIVE FRAMEWORK ON BEPS: ACTION 13

Under the Action 13 Minimum Standard, jurisdictions have committed to foster tax transparency by requesting the largest multinational enterprise groups (MNE Groups) to provide the global allocation of their income, taxes and other indicators of the location of economic activity. This unprecedented information on MNE Groups' operations across the world will boost tax authorities' risk-assessment capabilities. The Action 13 Minimum Standard has been translated into specific terms of reference and a methodology for the peer review process.

The peer review of the Action 13 Minimum Standard is proceeding in stages with three annual reviews in 2017, 2018 and 2019. The phased review process follows the phased implementation of CbC Reporting. Each annual peer review process will therefore focus on different aspects of the three key areas under review: the domestic legal and administrative framework, the exchange of information framework, and the confidentiality and appropriate use of CbC reports. This second annual peer review report reflects the outcome of the second review which considered all aspects of implementation. It contains the review of 116 jurisdictions which provided legislation or information pertaining to the implementation of CbC Reporting.

Consult this publication on line at ***https://doi.org/10.1787/f9bf1157-en***.

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