

Dbriefs Bytes Transcript

4 July 2014

For comments on Action 3, see [the highlighted text below](#).

BEPS

BEPS: Spain

Still no news from the OECD in regard to the BEPS project. However, this week we have another example of unilateral BEPS action being taken.

In Spain, the government announced a broad-based, draft tax reform package on 20 June. Amongst the many proposed changes are two measures which you could say are in response to the BEPS project:

- **Firstly, there will be a special anti-abuse rule for hybrid arrangements. This will disallow deductions for expenses incurred in transactions with related parties where, as a result of different tax characterizations, the income would not be subject to tax or no income would be recognized or the income would be subject to a tax rate of less than 10 percent.**
- **The second measure is a tightening up of Spain's CFC rules.**

If you would like to access our Tax Alert on the tax reform package, please follow the link in the summary slides at the end of this video.

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