

Tax & Legal Weekly Alert

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Tax Updates

OECD releases the BEPS Project 2014 deliverables

On September 16, the Committee on Fiscal Affairs of the Organization for Economic Cooperation and Development (OECD) released the documents promised in the 2013 Action Plan on Base Erosion and Profit Shifting. The 2014 deliverables represent 7 of the 15 actions of the BEPS Project and provide draft recommendations to change domestic tax laws, treaties, and other measures so as to combat government concerns about tax base erosion and profit shifting as well as tax treaty abuse.

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On September 16, the Committee on Fiscal Affairs of the Organization for Economic Cooperation and Development (OECD) released the documents (the 2014 deliverables) that it had promised, in the 2013 Action Plan on Base Erosion and Profit Shifting (“BEPS”), to produce this year. The 2014 deliverables represent 7 of the 15 actions of the BEPS Project, a project undertaken by the 44 countries that are, or will soon be, members of the OECD or of the G20 group of countries.

Some of the 2014 deliverables provide draft recommendations, agreed to by negotiators for the 44 countries, to change domestic tax laws, treaties, and other measures so as to combat government concerns about tax base erosion and profit shifting in cases involving (among other things) “hybrid mismatch arrangements” and tax treaty abuse.

Although Romania is not an OECD member, nor one of the 44 countries above mentioned, the Romanian tax authorities might consider implementing part of the recommendations.

The 2014 deliverable covers the following actions:

Action 1: Addressing the Tax Challenges of the Digital Economy

Action 2: Neutralizing the Effects of Hybrid Mismatch Arrangements

Action 5: Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance

Action 6: Preventing the Granting of Treaty Benefits in Inappropriate Circumstances

Action 8: Guidance on Transfer Pricing Aspects of intangibles

Action 13: Guidance on Transfer Pricing Documentation and Country-by-Country Reporting

Action 15: Developing a Multilateral Instrument to Modify Bilateral Tax Treaties

Given that many of the recommendations provided under the above deliverables are not sufficiently clear in order to be implemented at this stage, the BEPS Project remains a work in progress and many of the most difficult questions have been deferred for later consideration. Nevertheless, the 2014 deliverables provide an initial framework into how the G20, the member countries of the OECD or the countries that follow the OECD guidelines may implement BEPS-related domestic tax law and treaty changes when the OECD’s work is completed.

Additional details can be found [here](#).

Should you have any questions or would require our assistance assessing your potential exposure, please do not hesitate to contact us:

Dan Badin

Tax & Legal Partner-in-Charge
+40 21 207 53 92

Ana Petrescu

Manager
+40 21 207 56 04



For further information please contact us at:
Romania@deloittece.com or visit the web page
www.deloitte.com/ro/tax-alerts

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