

# Tax & Legal Weekly Alert

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### **The Combined Nomenclature in force in 2017**

The European Commission has recently published the Combined Nomenclature ("CN") applicable starting 1<sup>st</sup> of January 2017. Consequently, starting January, you will need to use the new CN codes for customs and excise operations, Intrastat declarations and for operations performed on the basis of a customs and fiscal authorisations issued on CN 2016 tariff codes.

### **OECD issues guidance on Action 14 peer reviews**

On October 20, 2016, the G20/OECD and other countries participating in the 'Inclusive Framework' on base erosion and profit shifting (i.e. "BEPS") published key documents for infrastructure for peer review and monitoring of Mutually Agreement Procedure (i.e. MAP) under Action 14 of the BEPS Action Plan.

### **Draft Law regarding the approval of the accession of Romania as an associate member to the BEPS project**

The Romanian Parliament issued the draft law regarding the accession of Romania as an associate member to the BEPS project initiated by OECD.



## The Combined Nomenclature in force in 2017

Among the changes in the new CN, applicable from 1<sup>st</sup> of January 2017, new tariff codes have been introduced or the existing ones have been modified for:

- Various species of fish, crustaceans, molluscs
- Various drinks like beer without alcohol, soy beverages, wines;
- Chemical preparations;
- Immunological products;
- Ink Cartridges, Toner;
- Tires used for vehicles and agricultural and forestry machines;
- Fans for cooling microprocessors, telecommunication devices;
- Apparatus for filtering or purifying air;
- Multifunctional machines (printing, copying or facsimile transmission);
- Various machines such as cutting machines and waterjet machines for processing documents, money-changing machines, machinery for the manufacture of flat panel displays;
- Digital versatile discs (DVD);
- Touch screens;
- Wireless remote control devices, infrared, for game consoles;
- Agricultural and forestry tractors, vehicles;
- Telecommunication satellites;
- Electronic interactive / educational devices.

### What does it mean for you?

The new CN may include new classifications for your products. If you import / export goods into / out of the EU starting 1<sup>st</sup> of January 2017, you will need to use the new CN codes in your import / export declaration processes.

The amendment of the Combined Nomenclature has implications not only for customs operations, but also for operations with excisable products and the Intrastat statistical reporting, namely the tariff codes of goods traded between EU Member States.

In addition, the holders of the customs and tax authorisations that include reference to tariff codes issued in accordance with NC 2015 (e.g. for suspensive customs regime) will be subject to the new rules.

### What to do?

To avoid any administrative and operational inconveniences as of 1<sup>st</sup> of January 2017 (e.g. extended stay of goods in customs), we recommend that you adjust the codes as soon as possible.

For further questions regarding the aspects mentioned in this alert, please contact us.

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## OECD issues guidance on Action 14 peer reviews

On October 20, 2016, the G20/OECD and other countries participating in the 'Inclusive Framework' on base erosion and profit shifting (i.e. "BEPS") published key documents for infrastructure for peer review and monitoring of Mutually Agreement Procedure (i.e. "MAP") under Action 14 of the BEPS Action Plan.

### Peer review and monitoring package

The package released consists of four documents:

- Terms of Reference;
- Assessment Methodology;
- MAP Statistics Reporting Framework;
- Guidance on Specific Information and Documentation Required to be Submitted with a Request for MAP Assistance.

### Terms of reference

The terms of reference translate the agreed minimum standard for dispute resolution into 21 elements under the four key areas of an effective dispute resolution mechanism: i) preventing disputes, ii) availability and access to MAP, iii) resolution of MAP cases and iv) implementation of MAP agreements

### Assessment methodology

The Assessment Methodology establishes detailed procedures and guidelines for a two-stage approach to the peer review and monitoring process:

- *Stage 1* - the review of the assessed country's implementation of the minimum standard based on its legal framework for MAP and its application in practice. It will commence with a series of questionnaires (sent to the assessed jurisdiction, treaty partners and businesses, and other taxpayers on the OECD website) based on the 21 minimum standard elements of the terms of reference.
- *Stage 2* - will commence a year after a Stage 1 report has been approved. Each assessed jurisdiction must provide an update report setting out steps taken to address any shortcomings identified during the *Stage 1* review and any plans for legislative changes to implement the minimum standard.

Peer reviews will be performed by members of the Forum on Tax Administration MAP Forum and are due to take place in December 2016. The intent is to publish the first reports in the second half of 2017.

### MAP Statistics Reporting Framework

The minimum standard requires competent authorities to attempt to resolve disputes through MAP within an average of 24 months. The MAP Statistics Reporting Framework reflects a collaborative approach for the resolution of MAP cases through the adoption of common timeline for both competent authorities to resolve MAP cases.

### Guidance on specific information and documentation required

An element of the minimum standard is the requirement that access to MAP is not denied on the basis that taxpayers have provided insufficient information. To provide certainty and clarity to taxpayers applying for MAP, countries are required to publish clear rules and guidelines on access to and use of MAP. This Guidance could be used by Members in drawing up their own MAP guidance and could also provide guidance to taxpayers in their preparation of a MAP submission.

For further questions regarding the aspects mentioned in this alert,  
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## **Draft Law regarding the approval of the accession of Romania as an associate member to the BEPS project**

The Romanian Parliament issued the draft law regarding the accession of Romania as an associate member to the BEPS project initiated by OECD.

The financial contribution of Romania as an associate member to the BEPS project should be paid annually from the budget of the Ministry of Public Finance, starting from 2016.

For further questions regarding the aspects mentioned in this alert, please contact us.

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