



**Asia-Pacific
Economic Cooperation**

2019/SOM1/FDM/015
Agenda Item: 6.2

**Workshop on Advances in Base Erosion and Profit
Shifting, Exchange of Information, Transparency,
Tax Certainty and Promoting Good Tax Practices**

Purpose: Information
Submitted by: Chile



**Finance and Central Bank Deputies' Meeting
Santiago, Chile
7-8 March 2019**



**Workshop on advances in BEPS,
exchange of information,
transparency, tax certainty and
promoting good tax practices**

Tomás Kovacevic
Ministry of Finance, Chile
Santiago, March 7, 2019

APEC FMP Roadmap

- CEBU Action plan (Pillar 2)
 - ✓ Advancing Fiscal Reforms and Transparency
 - Promoting good tax practices, EOI in tax matters, to enhance tax transparency and combat cross-border tax evasion, as well as, to avoid tax leakages and tax base erosion, by means of existing mechanisms
- APEC Finance Minister's Meeting, October, 17 2018, Papua New Guinea, welcomed further efforts to be channeled through Chile's host year
 - ✓ Implementation of BEPS and internationally-agreed standards on transparency and EOI for tax purposes
 - ✓ Launching of the Knowledge Sharing Platform for Tax Administrations and continued engagement with the Global Forum on Transparency and Exchange of Information for Tax Purposes, and discussions on the tax challenges arising from digitalization under the work presented by the OECD and G20
 - ✓ Efforts built on the FMP's work of 2017 at Viet Nam

Relevance

- Tax perspective
 - ✓ Protection of the tax base
 - ✓ Adding certainty, transparency and fairness to the tax system
- For the APEC region
 - ✓ Reducing economic disparity
 - ✓ Promoting trade, investment and a favorable business environment
 - ✓ Enhancing collaboration among APEC economies

Workshop: Advances in BEPS, exchange of information, transparency, tax certainty and promoting good tax practices

- Focus:
 - ✓ Advances in BEPS
 - ✓ Exchange of information (EOI)
 - ✓ Tax certainty

- Objectives:
 - ✓ To build technical and practical abilities for APEC members
 - ✓ To strengthen within the APEC region cooperation regarding taxes and working for a fair and modern tax system
 - ✓ To foster policy cooperation and exchange of experiences among economies in the region


BEPS

- BEPS Inclusive Framework
- Minimum standards update, with focus on mutual agreement procedure (MAP) for resolving cross-border tax disputes and promoting tax certainty as a key element to incentive investment and economic growth




Effective
dispute
resolution
mechanisms

Action 14




Prevent treaty
abuse

Action 6



Counter
harmful tax
practices


Action 5



Re-examine
transfer pricing
documentation


Action 13

- Other measures



Develop a
multilateral
instrument

Action 15



Taxation of
digital
economy*

Action 1

*Will not duplicate OECD work

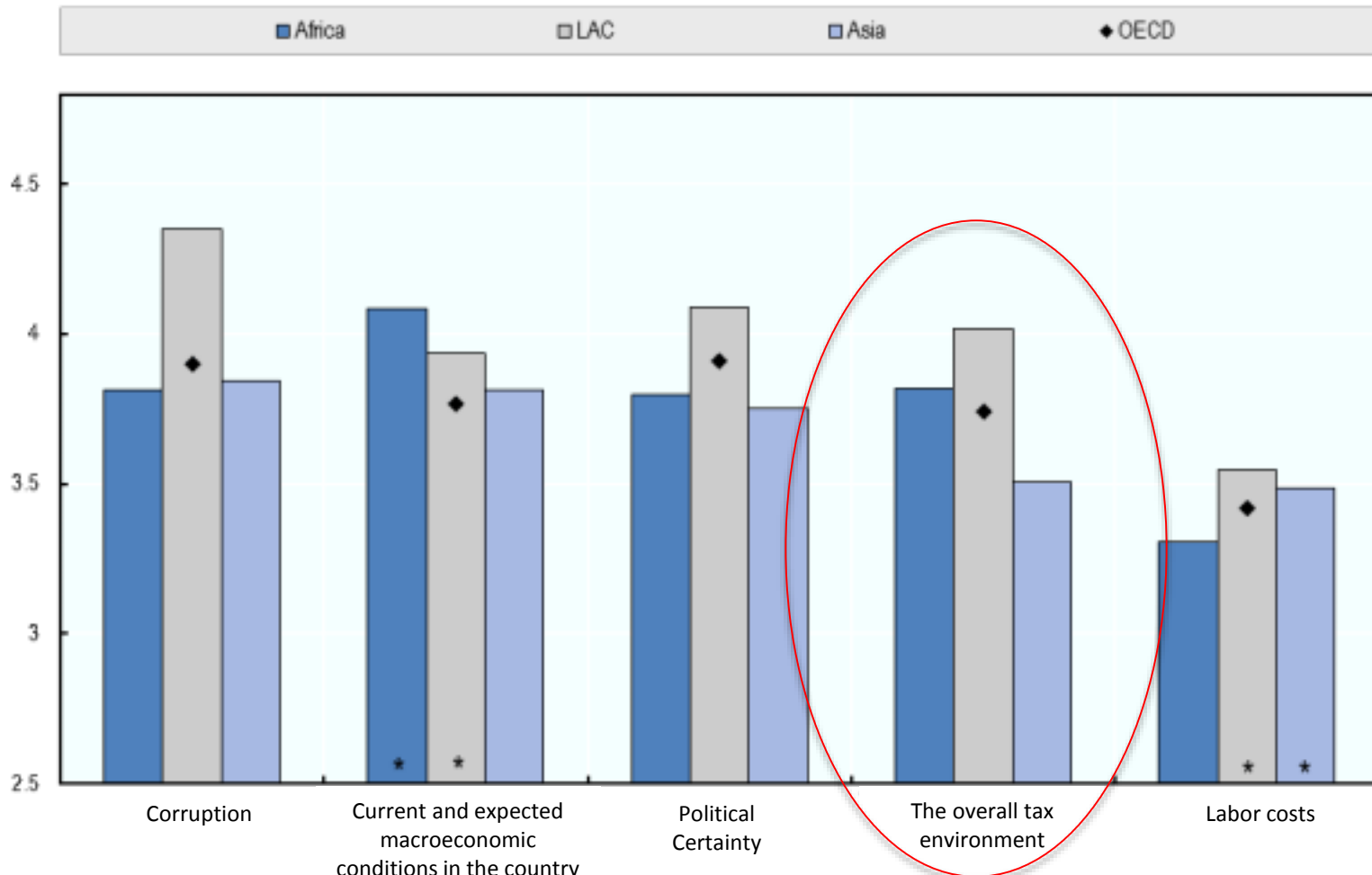
Exchange of information

- OECD Global Forum
- International standards on exchange of information for tax purposes and its impact:
 - ✓ Exchange of Information on Request (EOIR)
 - ✓ Automatic Exchange of Information (AEOI)
- Common Reporting Standard (CRS)
 - ✓ Obtain information from financial institutions and automatic exchange on an annual basis
- Knowledge Sharing Platform for Tax Administration (KSP)

Tax certainty

- Tax uncertainty creates a risk of discouraging investment (OECD/IMF Report on Tax Certainty, 2017 Report)
- Transparency and tax certainty are effective tools to race against tax avoidance and to execute accurate measures to protect the tax base
- Tax certainty promotes a friendly business environment while procuring tools for administrating risks of avoidance
- Other operative or practical items for securing tax certainty

Top 5 business factors affecting investment decisions (including place of destination)



"... uncertainty about relief for withholding tax also appears, suggesting that issues around cross-border transactions are especially important..." Source: OECD/IMF Update on Tax Certainty, July 2018

Workshop information

- Three-day workshop on September 2019 in Santiago
- Delivered by Chile and the OECD
- APEC economies officials, international institutions and tax experts
- Exposition by tax experts, breakout discussion and sharing common challenges or experiences by economies officials
- Evaluation: survey



APEC
CHILE 2019

