



JAMAICA AND THE BEPS PROJECT

Mr. Diego GONZALEZ - OECD
Meetings with Stakeholders
Kingston, Jamaica – April 2018



Agenda

- The BEPS Project
 - The BEPS Inclusive Framework
 - Support Programmes for Jamaica
- Transfer Pricing In Jamaica
- Global Forum on Transparency and Exchange of Information
- Multilateral Convention on Mutual Administrative Assistance in Tax Matters



Impact of BEPS

**USD 100-240 billion CIT revenue
lost to governments annually**

The OECD/G20 BEPS package is the solution, offering the opportunity to:

- ✓ *Close loopholes*
- ✓ *Reinforce tax sovereignty*
- ✓ *Increase cooperation*
- ✓ *Realign value creation and the taxation of profits*
- ✓ *Improve domestic resource mobilisation*





The BEPS Actions

Minimum standards	Reinforced international standards	Common approaches & best practices	Analytical reports & measuring BEPS
Coherence	Substance	Transparency	
Action 2 Neutralise the effects of hybrid mismatch arrangements	Action 6 Prevent treaty abuse	Action 11 Data analysis	Action 1 Digital economy
Action 3 Strengthen CFC rules	Action 7 Prevent the artificial avoidance of PE status	Action 12 Mandatory disclosure rules	Action 15 Develop a multilateral instrument
Action 4 Limit interest deductibility	Actions 8 - 10 Aligning transfer pricing outcomes with value creation: Intangibles; Risk and capital; and Other high-risk transactions	Action 13 Re-examine transfer pricing documentation	
Action 5 Counter harmful tax practices		Action 14 Dispute resolution	

Can we make it better?



Inclusive Framework – 113 members





Supporting Jamaica

BEPS and Transfer Pricing
Capacity Building Programme

**Tax Inspectors Without Borders
programme**

Twinning programme

Canada - Jamaica



Transfer Pricing in Jamaica

Objective:

- Protect Jamaican tax base, and tax fairly in accordance with business activities
- TP Bill following internationally accepted principles + CbCR (NEW)

Benefits:

- Support efforts towards a transparent and predictable investment climate through the introduction of rules that create certainty and consistency for business.
- Technically strong TAJ that understands taxpayers businesses, industries and transactions.



Global Forum on Transparency and Exchange of Information for Tax Purposes

- **150** countries and jurisdictions members **on an equal footing**
- Focussed on **automatic exchange of information** and **exchange on information on request** + technical assistance
- Provide **compliance rating**, based on a **peer review** process
- Members have to go through Phase 1 and Phase 2 reviews
- **Jamaica is a member and was rated Largely Compliant on EOIR.**





Convention on Mutual Administrative Assistance in Tax Matters

- Most comprehensive multilateral instrument available for all forms of tax co-operation
- Provides for all possible forms of administrative co-operation between states to combat tax avoidance and evasion
- **117** jurisdictions currently participate, **including Jamaica**
- G-20 leaders calling for all countries to join

<http://www.oecd.org/tax/exchange-of-tax-information/>



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