# Base Erosion and Profit Shifting (BEPS) and Automatic Exchange of Information (AEOI)

Economic Growth and Infrastructure Committee Meeting 11 May 2016

#### OECD/G20 BEPS & AEOI

A global problem requiring a global solution 3 Key Themes

## GREATER TRANSPARENCY OF TAX INFORMATION

Better flow of tax
Information between
countries' tax
administrators.

#### MORE ROBUST TAX LAWS

Domestic law that closes loopholes & gaps so tax bases cannot be eroded or profits shifted to countries with low or no tax.

### INTERNATIONAL AGREEMENTS & CO-OPERATION

Changes to existing & future bilateral tax treaties through countries signing up to a multilateral instrument.

# How is NZ responding to BEPS and AEOI?

#### GREATER TRANSPARENCY OF TAX INFORMATION

- FATCA

- Automatic Exchange of Information (AEOI)
  - Country-by-country (CBC) reporting
  - Exchanging rulings

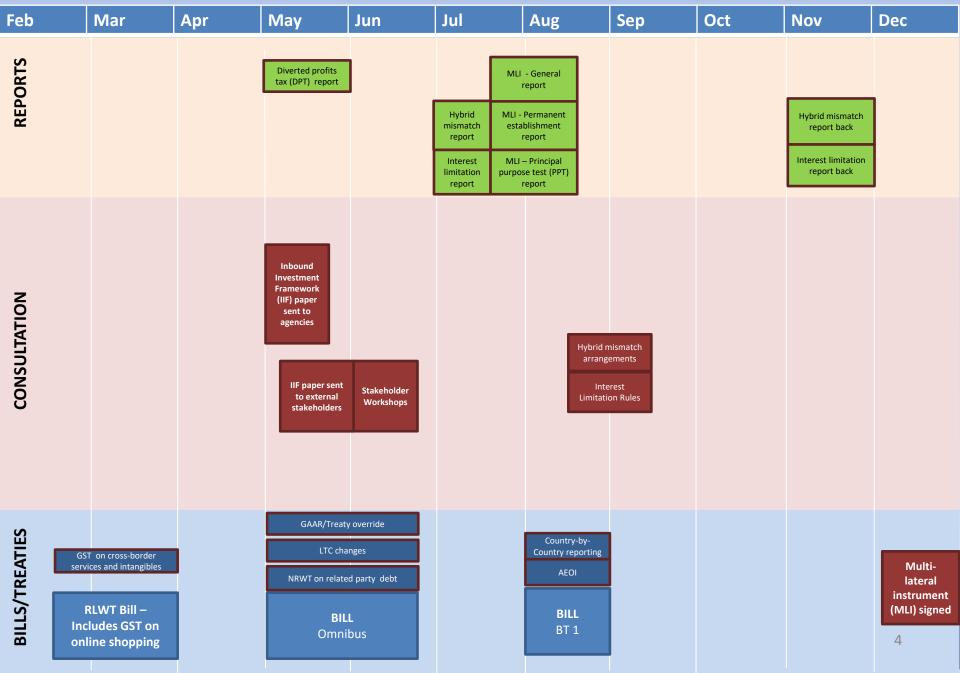
#### MORE ROBUST TAX LAWS

- Interest limitation rules
- GST on online services
- Independent review of foreign trust disclosure rules
- NRWT on related party debt
- Hybrid mismatches

#### INTERNATIONAL AGREEMENTS & CO-OPERATION

- Multilateral
  instrument: treaty antiabuse rules, new PE
  definition, dispute
  - resolution, hybrid entities
  - Transfer Pricing Guidelines

#### 2016 BEPS and AEOI reforms – Proposed Timeline



#### 2017 BEPS and AEOI reforms – Proposed Timeline

Aug

Sep

Oct

Nov

Dec

Jul

May

Mar

Feb

Apr

Jun

BILLS/TREATIES	CONSULTATION	REPORTS
Hybrid misr  Interest lim  Changes to transfer neede  BEPS E		
itations  pricing rules (if		
Multilateral instrument implementation		
5		