BEPS

vs

investment climate

Belgium

Different initiatives

- G20/OECD: BEPS action plan
  - Joint actions
  - Unilateral actions

- EU–BEPS
  - Existing rules
  - “Transparency”
  - Other initiatives
Investment climate

- Certainty
- Competitiveness
- No double taxation
- [Sales potential]
- Central location
- Qualified staff
- ...

Impact BEPS and EU–BEPS

- At this moment
  - Uncertainty
  - Are we losing competitiveness?
    - Within EU
    - Worldwide
  - Fear for double taxation
    - Unilateral measures
    - “abuse” of transparency
    - Not enough arbitration
BEPS action plan

Coherence
- Hybrid Mismatch Arrangements (2)
- Interest Deductions (4)
- CFC Rules (3)
- Harmful Tax Practices (5)

Substance
- Preventing Tax Treaty Abuse (6)
- Avoidance of PF Status (7)
- TP Aspects of Intangibles (8)
- TP/Risk and Capital (9)
- TP/High Risk Transactions (10)

Transparency
- Methodologies and Data Analysis (11)
- Disclosure Rules (12)
- TP Documentation (13)
- Dispute Resolution (14)

Digital Economy (1)
Multilateral Instrument (15)

Uncertainty

- Actions 4 and 5
  - PID?
  - Notional interest deduction?
  - Interest deductions?

- EU–BEPS
  - Tax rulings and state aid
BEPS action plan

Coherence
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Substance
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competitiveness

- Action 5
  - PID?
  - Notional interest deduction?

- EU–BEPS
  - Tax rulings
Double taxation

- General view that the number of cases of double taxation will increase significantly
  - Different interpretations
  - Unilateral measures
  - Abuse of transparency measures

- Positive impact for countries
  - Applying the general principles
  - Willing to adopt arbitration?
Intentions Belgian government

- Choice for the path of transparency
- Active participation in the BEPS project
- Making the Belgian legislation BEPS proof where needed

Conclusion

- Create certainty
- Focus on competitive tax legislation compliant with the BEPS framework and EU regulations