

## The Final OECD BEPS Tome Has Arrived

October 8, 2015

Remarkably on schedule, the OECD this week issued a comprehensive and integrated set of measures to attack base erosion and profit shifting (BEPS) on a global basis. Comprising 15 “Actions” on central issues such as transfer pricing, country-by-country reporting and transfer pricing documentation, treaty abuse, preferential tax regimes, permanent establishments, hybrid arrangements, cross-border dispute resolution, and implementation, this massive undertaking achieved consensus among all OECD and G20 countries on most major issues. Developing countries and other international and regional tax organizations also participated actively.

Per the Foreword to the final reports, “The BEPS package of measures represents the first substantial renovation of the international tax rules in almost a century.” However one characterizes the outcome – there will be many different views – the product cannot be ignored and will have significant impacts on planning and operation of international businesses. Some aspects will fall into place more quickly than others. On the transfer pricing front, for example, it is our impression that the IRS intends to comply with the BEPS directive to disclose to affected treaty partners any U.S. unilateral APAs issued on or after January 1, 2010, and in effect on or after January 1, 2014. Many of the conclusions and recommendations of the reports will, however, require changes to domestic laws or renegotiation of existing treaties. In the latter regard, a multilateral instrument is in the works to speed the process and maximize uniformity.

It will take businesses and practitioners time to digest and evaluate the final BEPS tome, some 1600 pages in all. This email is, precisely, an Alert – we will not attempt here to summarize the various provisions or provide insights. The OECD has helpfully published a compilation of the Executive Summaries from the 15 final reports, which is a fine starting point to identify aspects of particular interest; it can be found at <http://www.oecd.org/ctp/beps-reports-2015-executive-summaries.pdf>. And your inbox undoubtedly will quickly fill with synopses, analyses, seminars, and the like from multiple sources.

[Caplin & Drysdale’s International Tax Group](#) has closely followed the BEPS project as it has evolved over the past two years and is immersed in the final reports. We will be working with individual clients to evaluate the impact on their activities, and welcome the opportunity to consult on pertinent aspects. Please contact any of the attorneys below for assistance with understanding the OECD BEPS final reports and their implications.

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