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The
G20 Research Group
at Trinity College at the Munk School of Global Affairs
in the University of Toronto
presents the

2016 G20 Hangzhou Summit Interim Compliance Report

6 September 2016 to 17 February 2017

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“The University of Toronto ... produced a detailed analysis to the extent of which each G20 country has met its commitments since the last summit ... I think this is important; we come to these summits, we make these commitments, we say we are going to do these things and it is important that there is an organisation that checks up on who has done what.”

— *David Cameron, Prime Minister, United Kingdom, at the 2012 Los Cabos Summit*

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3. Development: Tax Administration

“[We will continue our support for international tax cooperation to achieve a globally fair and modern international tax system and to foster growth, including advancing] tax capacity-building of developing countries....”

G20 Hangzhou Leaders’ Communiqué

Assessment

| | No Compliance | Partial Compliance | Full Compliance |
|----------------|---------------|--------------------|-----------------|
| Argentina | | | +1 |
| Australia | | | +1 |
| Brazil | | | +1 |
| Canada | | | +1 |
| China | | | +1 |
| France | | | +1 |
| Germany | | | +1 |
| India | | | +1 |
| Indonesia | | | +1 |
| Italy | | 0 | |
| Japan | | | +1 |
| Korea | | | +1 |
| Mexico | | | +1 |
| Russia | | | +1 |
| Saudi Arabia | | 0 | |
| South Africa | | | +1 |
| Turkey | | | +1 |
| United Kingdom | | | +1 |
| United States | | | +1 |
| European Union | | | +1 |
| Average | | +0.90 | |

Background

Following the 2008 financial crisis, the G20 recognized that narrowing the development gap and reducing poverty were essential to fulfilling its core objective of strong, sustainable and balanced growth.³³²

At the 2009 Pittsburgh Summit, the G20 determined that the exchange of information and experience was fundamental to securing a healthy global economy.³³³ The G20 supported the expansion of the Global Forum on Transparency and Exchange of Information to include the participation of developing countries. The Global Forum on Transparency and Exchange of Information focused on improving tax transparency and exchange of information so that countries can effectively enforce their tax laws and protect their tax base.³³⁴

³³² About group, G20 Development Working Group Information Exchange Facility. Access Date: 24 October 2016.

<http://www.g20dwg.org>

³³³ Leader’s Statement The Pittsburgh Summit (Pittsburgh) 24 - 25 September 2009. Access Date: 7 November 2016.

http://www.g20dwg.org/static/2009_G20_Framework_for_Strong_Sustainable_and_Balanced_Growth.pdf

³³⁴ Leader’s Statement The Pittsburgh Summit (Pittsburgh) 24 - 25 September 2009. Access Date: 7 November 2016.

http://www.g20dwg.org/static/2009_G20_Framework_for_Strong_Sustainable_and_Balanced_Growth.pdf

During the 2010 Seoul Summit, the G20 launched its development agenda with the Multi-Year Action Plan on Development (MYAP).³³⁵ The MYAP established nine pillars in which G20 actions were identified as necessary to resolving the largest obstacles to inclusive, sustainable and resilient growth in developing countries. The eighth pillar, domestic resource mobilization, stressed the importance of strengthening “tax regimes and fiscal policies in developing countries to provide a sustainable revenue base for inclusive growth and social equity, as well as to enhance the transparency and accountability of public finances.”³³⁶ As a framework for fulfilling the eighth pillar, the MYAP recommended two actions: support the development of more effective tax systems and support work to prevent erosion of domestic tax revenues.³³⁷ The Action Plan called on the Organisation for Economic Co-operation and Development (OECD) Task Force on Tax and Development, United Nations (UN), International Monetary Fund (IMF), World Bank and regional organizations to support the G20’s initiative to improve domestic resource mobilization by reporting back to the G20 at the next summit.

The results were presented to the G20 at the 2011 Cannes Summit in a report entitled, Supporting the Development of More Effective Tax Systems. According to the report, tax system design is closely linked to domestic and international investment decisions, including in terms of transparency and fairness. Thus, a strong tax administration is essential to strengthening domestic resource mobilization. Despite this, in 2013, the median tax ratio in low-income countries (LICs) was around 13 percent, with 16 LICs having ratios below 15 percent.³³⁸

During the 2013 St. Petersburg Summit, the G20 affirmed that developing countries would benefit from a more transparent tax system that would allow them to “enhance their revenue capacity, as mobilizing domestic resources is critical to financial development.”³³⁹ As a result, the OECD was invited to submit a report to the G20 DWG on the impact of Base Erosion and Profit Shifting (BEPS) on developing countries and to determine what type of assistance they may need.

On 6 October 2016, the fourth G20 Finance Ministers and Central Bank Governors Meeting of 2016 was held in Washington DC. The meeting was the last G20 Finance Ministers and Central Bank Governors Meeting under the Chinese Presidency.³⁴⁰ The Finance Ministers reaffirmed commitment to issues concerning Global Economy, Tax, Beneficial Ownership and Anti-Money Laundering.³⁴¹

³³⁵ Annex 2: Multi-Year Action Plan on Development, The Seoul Summit Document (Seoul) 12 November 2010. Access Date: 24 October 2016. <http://www.g20dwg.org/documents/pdf/view/323/>

³³⁶ Annex 2: Multi-Year Action Plan on Development, The Seoul Summit Document (Seoul) 12 November 2010. Access Date: 24 October 2016. <http://www.g20dwg.org/documents/pdf/view/323/>

³³⁷ Annex 2: Multi-Year Action Plan on Development, The Seoul Summit Document (Seoul) 12 November 2010. Access Date: 24 October 2016. <http://www.g20dwg.org/documents/pdf/view/323/>

³³⁸ Report by the Platform for Collaboration on Tax to the G20: Enhancing the Effectiveness of External Support in Building Tax Capacity in Developing Countries, OECD (Paris) 25 July 2016. Access Date: 7 November 2016. <http://www.oecd.org/tax/enhancing-the-effectiveness-of-external-support-in-building-tax-capacity-in-developing-countries.pdf>

³³⁹ Part 1 of a Report to G20 Development Working Group on the Impact of BEPS in Low Income Countries, OECD (Paris) July 2014. Access Date: 24 October 2016. <http://www.oecd.org/tax/part-1-of-report-to-g20-dwg-on-the-impact-of-beps-in-low-income-countries.pdf>

³⁴⁰ G20 Finance Ministers and Central Bank Governors Meeting, The G20 (Washington) 6 October 2016. Access Date: 13 November 2016. http://www.g20.org/English/Dynamic/201610/t20161019_3512.html

³⁴¹ G20 Finance Ministers and Central Bank Governors Meeting, The G20 (Washington) 6 October 2016. Access Date: 13 November 2016. http://www.g20.org/English/Dynamic/201610/t20161019_3512.html

Commitment Features

The G20 committed to “continue our support for international tax cooperation to achieve a globally fair and modern international tax system and to foster growth, including advancing] tax capacity-building of developing countries.” In Supporting the Development of More Effective Tax Systems two broad ways in which the G20 can work with developing countries to support the efforts for strengthening developing economies’ engagement in the international tax agenda were identified 1) leading by example in addressing common issues and furthering common interests, and 2) act as shareholders or members of the international organisations most closely concerned with taxation and development.

Part One: Common issues, common interests — leading by example and developing partnerships

To be considered as leading by example in addressing common issues and furthering common interests, the G20 member must take action in two or more of the following ways:

1. Estimate and publish tax expenditures, and the cost of special provisions, in regular tax expenditure and budgets. G20 members could lead and encourage a more rigorous assessment of the costs and benefits of such provisions.
2. Develop analytical frameworks, suitable to the varying needs and circumstances of different countries, to assess the costs and benefits of preferential tax treatments, including in particular tax incentives aimed at foreign direct investment (FDI), and provide guidelines for members which use such incentives.
3. Disclose and consider reducing the scope of tax exemptions required by G20 members from country recipients of aid-funded projects.
4. Undertake “spillover” analyses of proposed changes to tax law in G20 members, for example in trade and international taxation — which could have effects on the fiscal circumstances of developing countries.

Part Two: Acting as shareholders or members in international organizations

To be considered as acting as shareholders or members in international organizations most closely concerned with taxation and development the G20 member must take action in two or more of the following ways:

1. Encourage international organizations to more thoroughly assess and act upon linkages of tax and expenditure policies in their technical assistance to developing countries.
2. Encourage the International Monetary Fund and World Bank, working with other international and regional organizations as appropriate, to further develop and make publicly available consistent and detailed revenue data sets for the developing countries.
3. Encourage the international organizations, including the Forum on Tax Administrations, to develop a toolkit of measures to counter tax evasion and avoidance, based on best practices and guidelines adapted to the needs of developing countries.
4. Promote the Multilateral Convention on Administrative Assistance in Tax Matters. The Multilateral Convention on Administrative Assistance in Tax Matters was developed jointly by the OECD and the Council of Europe in 1988. It is the most comprehensive instrument available for all forms of tax co-operation and to tackle tax evasion and avoidance.

To achieve full compliance, the G20 member must comply with both parts of the commitment. Partial compliance is achieved when the G20 member complies with one part in two or more ways. No compliance is achieved if the G20 member does not fully comply with either part of the commitment. Actions that were initiated outside of the compliance period (before 6 September 2016)

and continued throughout the compliance period until 17 February 2017 will be considered for compliance, as the commitment states ‘we will continue to...’

Scoring Guidelines

| | |
|----|---|
| -1 | Member does not lead by example in addressing common issues and furthering common interests AND does not act as a shareholder or member of the international organisations most closely concerned with taxation and development. |
| 0 | Member takes significant action to EITHER lead by example in addressing common issues and furthering common interests OR to act as a shareholder or member of the international organisations most closely concerned with taxation and development. |
| +1 | Member does lead by example in addressing common issues and furthering common interests AND does act as a shareholder or member of the international organisations most closely concerned with taxation and development. |

Lead Analyst: Jiyeon Han

Argentina: +1

Argentina has fully complied with its commitment to help strengthen developing economies’ engagement in the international tax agenda.

As of December 2016, Argentina continues to publish monthly tax collection reports on its Federal Administration of Public Revenue (AFIP) tax administration website.³⁴²

On 9 September 2016, the tax administrations of Argentina and Uruguay met to discuss issues of mutual interest in international taxation. Both parties reaffirmed commitment to the Agreement for the Exchange of Tax Information and Method for Avoidance of Double Taxation.³⁴³

On 21-23 September 2016, Argentina sent a delegation to the Regional Meeting of the Inclusive Framework on Base Erosion and Profit Shifting (BEPS) for Latin America and the Caribbean (LAC) in Montevideo, Uruguay. The meeting, organized by Uruguay in partnership with the Organization for Economic Co-operation and Development (OECD), the World Bank Group, the Inter-American Center of Tax Administrations, and the Inter-American Development Bank served as a discussion on the implementation of the BEPS Package following the first meeting of the Inclusive Framework in Kyoto, Japan on 29 June – 1 July 2016.³⁴⁴

On 26 September 2016, the Minister of the Economy Alfonso Prat-Gay met with United States Treasury Secretary Jack Lew in Buenos Aires regarding cooperation on exchanging fiscal data to fight tax evasion and doubling joint efforts to fight against money laundering.³⁴⁵ US Treasury Secretary

³⁴² Tax Breakdown December 2016, Federal Administration of Public Revenue (Buenos Aires) 2 January 2017. Date of Access: 2 January 2017. <https://servicios1.afip.gov.ar/genericos/prensa/VerGacetilla.aspx?id=140>

³⁴³ Declaration, Federal Administration of Public Revenue (Buenos Aires) 11 September 2016. Date of Access: 12 November 2016. <https://servicios1.afip.gov.ar/genericos/prensa/VerGacetilla.aspx?id=94>

³⁴⁴ Regional Meeting of the Inclusive Framework on BEPS for Latin America & the Caribbean, Co-Chair’s Summary (Montevideo) 23 September 2016. Date of Access: 12 November 2016. <http://www.oecd.org/tax/beps/beps-regional-meeting-co-chairs-summary-lac-september-2016-montevideo.pdf>

³⁴⁵ Argentina and the United States accelerate the process of sharing fiscal data to fight against tax evasion, Ministry of Treasury and Public Finances (Buenos Aires) 26 September 2016. Date of Access: 13 November 2016. <http://www.economia.gov.ar/en/argentina-and-the-united-states-accelerate-the-process-of-sharing-fiscal-data-to-fight-against-tax-evasion/>

Jack Lew announced that the US and Argentina will begin negotiations on a tax treaty on the exchange of information.³⁴⁶

From 26-27 September 2016, Argentina held the sixth Latin American and Caribbean (LAC) Fiscal Policy Forum in Buenos Aires which aimed to promote tax reform, share best practices on international tax developments and domestic tax reforms, and to improve the effectiveness of tax systems. The forum was part of the LAC Fiscal Initiative and OECD programme that promotes cooperation on taxation and public expenditure policies in the LAC region.³⁴⁷

On 11 October 2016, the Tax Treaty for the Avoidance of Double Taxation with Respect to Taxes on Income and on Capital and to Prevent Fiscal Evasion and Tax Avoidance entered into force between Argentina and Chile after the Argentine Congress notified the Chilean government that its internal requirements were satisfied.³⁴⁸

From 2-4 November 2016, the Global Forum on Transparency and Exchange of Information for Tax Purposes, of which Argentina is a member, held its ninth annual meeting in Tbilisi, Georgia to further the shared goal of improving tax transparency. This meeting marked the completion of the first round of the Forum's peer review process, and resulted in the publication of a second phase of reviews on the Exchange of Information on Request standards.³⁴⁹

On 16 November 2016, Argentina signed a joint declaration with Switzerland on the introduction of Automatic Exchange of Information (AEOI) in tax matters on a reciprocal basis.³⁵⁰

As of January 2017, Argentina remains under tax amnesty, which came into force on 25 July 2016.³⁵¹ The amnesty allows Argentinians to disclose previously undeclared funds and be taxed at 0 per cent or preferable rates if they invest them in the country. Gabriel Martino, president of the Hongkong and Shanghai Banking Corporation (HSBC) Argentina, estimated that the amnesty could provide up to USD80 billion.³⁵²

Argentina has supported efforts to strengthen developing economies' engagement in the international tax agenda as a member of an international organization and has taken actions to address common issues and interests. Thus, Argentina receives a score of +1.

Analyst: Katie Fettes

³⁴⁶ Report on recent US international tax developments – 30 September 2016, Ernst & Young Tax Insights. 5 October 2016. Date of Access: 11 November 2016. <http://taxinsights.ey.com/archive/archive-news/report-on-recent-us-international-tax-developments-30-september-2016.aspx>

³⁴⁷ Sixth meeting of the LAC Fiscal Policy Forum, Organization for Economic Co-operation and Development (Buenos Aires) 27 September 2016. Date of Access: 12 November 2016. <https://www.oecd.org/ctp/tax-global/summary-sixth-meeting-of-the-lac-fiscal-policy-forum.pdf>.

³⁴⁸ Argentina – Chile tax treaty enters into force, Ernst & Young Tax Insights 21 October 2016. Date of Access: 12 November 2016. <http://taxinsights.ey.com/archive/archive-news/argentina-chile-tax-treaty-enters-into-force.aspx>.

³⁴⁹ Statement of Outcomes – Global Forum on Transparency and Exchange of Information for Tax Purposes, Organization for Economic Co-operation and Development (Tbilisi) 2-4 November 2016. Date of Access 13 November 2016. <http://www.oecd.org/tax/transparency/statement-of-outcomes-GF-plenary-2016.pdf>.

³⁵⁰ Argentina, Switzerland agree to automatically exchange financial account information for tax purposes, Multinational Tax & Transfer Pricing News 17 November 2016. Date of Access: 2 January 2017. <http://mnetax.com/argentina-switzerland-agree-automatically-exchange-financial-account-information-tax-purposes-18140>

³⁵¹ Argentina: Tax Amnesty Regime, Tax & Legal News - KPMG Switzerland 5 December 2016. Date of Access: 2 January 2017. <https://blog.kpmg.ch/tax-legal-news/argentina-tax-amnesty-regime>.

³⁵² Argentina sees tax amnesty boosting economy (Buenos Aires) 10 August 2016. Date of Access: 13 November 2016. <http://www.reuters.com/article/us-argentina-summit-pratgay-idUSKCN10L1DR>.

Australia: +1

Australia has partially complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

The Australian Government's Framework for supporting tax policy and administration, dated March 2016, states: "[The Addis Tax Initiative] commits Australia to doubling its investments to support tax systems in developing countries by 2020."³⁵³

The OECD's 2016 Global Forum on Transparency and Exchange of Information for Tax Purposes progress report states that Australia was fully compliant (rather than "largely," "partially," or "non-compliant") completed in 2016 (no specific date given). Australia's second review was scheduled for the third quarter of 2016. The Global Forum is a coalition of 137 countries and jurisdiction "working together to fight international tax evasion through improved international standards of transparency and exchange of information." This effort includes the Common Reporting Standard (CRS) for Automatic Exchange of Financial Account Information (the AEOI Standard. It comprises 101 jurisdictions that have agreed to exchange tax information beginning in 2017 and 2018. Argentina is committed to undertaking its first exchange in September 2018.³⁵⁴

Argentina's 2016-17 Budget includes tax provisions in line with BEPS, such as combating tax avoidance by multinational corporations.³⁵⁵

On 26 September 2016, the Australian Taxation Office (ATO) issued guidance material on Australia's participation in Automatic Exchange of Information (AEOI) regimes.³⁵⁶ It also released clarification material about exemptions for multinational groups from local filing requirements in Australia in relation to country-by-country (CbC) reporting.^{357, 358}

On 17 October 2016, Australia announced that it will redefine rules for determining whether structures create debt or equity interest. This decision was based on advice provided by its Board of Taxation over concerns of uncertainty and over the possibility of taxpayers artificially manipulating schemes to create favourable tax outcomes.³⁵⁹

³⁵³ Framework for supporting tax policy and administration through the aid program, March 2016, Australian Government Department of Foreign Affairs. Date of Access: 30 March 2017. <http://dfat.gov.au/about-us/publications/Documents/framework-supporting-tax-policy-administration-through-aid-program.pdf>

³⁵⁴ Tax Transparency Report on Progress, 2016, OECD Global Forum on Transparency and Exchange of Information for Tax Purposes. Date of Access: 30 March 2017. <http://www.oecd.org/tax/transparency/GF-annual-report-2016.pdf>

³⁵⁵ Budget overview, Government of Australia. Date of Access: 30 March 2017. <http://budget.gov.au/2016-17/content/glossies/overview/html/>

³⁵⁶ Global Tax Update October 2016, PwC Australia 3 October 2016. Date of Access: 25 November 2016. <http://www.lexology.com/library/detail.aspx?g=3b0f0ebd-3721-4894-9679-b43f7dd8d7da>.

³⁵⁷ Australia: Country-by-Country Reporting Exemption Guidance Offers Relief to MNEs, MNE Tax 18 October 2016. Date of Access: 26 November 2016. <http://mnetax.com/australia-country-country-reporting-exemption-guidance-offers-relief-mnes-17666>.

³⁵⁸ The Latest On BEPS - 10 October 2016, EY 10 October 2016. Date of Access: 25 November 2016. <http://www.ey.com/gl/en/services/tax/international-tax/alert--the-latest-on-beps---10-october-2016>.

³⁵⁹ Australia Targets Tax Integrity for Debt Equity Rules, Bloomberg & The Bureau of National Affairs 18 October 2016. Date of Access: 26 November 2016. <http://www.bna.com/australia-targets-tax-n57982078758/>.

On 7 December 2016, Australia and Germany exchanged instruments of ratification for the Australia-Germany tax treaty that was signed on 12 November 2015. It includes three overarching provisions:³⁶⁰

1. “modernize arrangements between Australia and Germany in line with changes to commercial practices, domestic tax systems and recent treaty policies and practices in both countries;”
2. “align with recent OECD tax treaty developments, including new provisions recommended by the OECD/G20 that are intended to minimize tax avoidance opportunities and create a more certain business environment for taxpayers;”
3. enhance the exchange of information and assistance in the collection of outstanding tax debts between our tax officials, with these provisions”

Australia has led by example and has supported efforts to strengthen developing economies’ engagement in the international tax agenda as a member of an international organization. Thus, Australia receives a score of +1.

Analyst: Yuliya Gorelkina

Brazil: +1

Brazil has fully complied with its commitment to help strengthen developing economies’ engagement in the international tax agenda.

On 3 and 13 October 2016, the Brazilian Revenue Service (RFB) published Normative Instructions 1,662 (NI 1662) and 1,664 (NI 1664), amending the current rules related to withholding income tax on transactions between Brazilian residents and non-residents.³⁶¹

On 21 October 2016, Brazil signed the Multilateral Competent Authority Agreement (MCAA) to increase transparency of multinational enterprises (MNEs) through the annual automatic exchange of country-by-country reports and to ensure that the confidentiality of such information is safeguarded.³⁶²

On 6 December 2016, Brazil pledged to share tax information automatically and adopt global standards on tax transparency to check cross border tax evasion. It also resolved to support other developing nations in increasing their tax administrations’ capacity to implement the Organization for Economic Cooperation (OECD)/G20’s standard on Automatic Exchange of Information (AEOI).³⁶³

³⁶⁰ Tax treaty between Australia and Germany, Australian Taxation Office. Date of Access: 30 March 2017.

<https://www.ato.gov.au/General/New-legislation/In-detail/Other-topics/International/Tax-treaty-between-Australia-and-Germany/>

³⁶¹ Brazil amends regulations regarding taxation of capital gains earned by non-residents and cross-border remittances for rental/lease of aircrafts (Brasília) 20 October 2016. Date of Access: 8 November 2016.

<http://www.ey.com/gl/en/services/tax/international-tax/alert--brazil-amends-regulations-regarding-taxation-of-capital-gains-earned-by-nonresidents-and-cross-border-remittances-for-rental-lease-of-aircrafts>.

³⁶² Next step towards transparency in international tax matters: Five new jurisdictions sign tax co-operation agreement to enable automatic sharing of country-by-country information (Paris) 21 October 2016. Date of Access: 8 November 2016. <http://www.oecd.org/brazil/five-new-jurisdictions-sign-tax-co-operation-agreement-to-enable-automatic-sharing-of-country-by-country-information.htm>.

³⁶³ BRICS nations vow to automatic sharing of tax information, 6 December 2016. Access date: 10 January 2017. http://www.moneycontrol.com/news/economy/brics-nations-vow-to-automatic-sharing-tax-information_8072201.html.

Brazil has supported efforts to strengthen developing economies' engagement in the international tax agenda through national actions that address common issues and common concerns and as a member of international organizations Thus, Brazil receives a score of +1.

Analyst: Sangeetha Ganesh

Canada: +1

Canada has fully complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

On 16 September 2016, the Canadian Department of Finance released new draft legislative proposals regarding technical amendments to the Income Tax Act and Income Tax Regulations. These amendments are part of an effort by the Department of Finance to "improve the accuracy and consistency of the income tax legislation and regulations."³⁶⁴

On 21 September 2016, the Government of Canada signed a new Convention with the Government of the State of Israel. The Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income includes provisions reflecting the standard developed by the Organisation for Economic Co-operation and Development for the exchange of information for tax purposes.³⁶⁵

On 7 October 2016, the Government of Canada announced that it will begin negotiations for the conclusion of a tax treaty between Canada and the Republic of San Marino. The tax treaty will seek to resolve issues such as double taxation.³⁶⁶

On 24-25 November 2016, the Base Erosion and Profit Shifting (BEPS) Project ad hoc Group, of which Canada is a member, adopted a multilateral instrument that will allow countries to easily amend their tax treaties to implement tax treaty-related BEPS recommendation.³⁶⁷

Canada has supported efforts to strengthen developing economies' engagement in the international tax agenda as a member of an international organization and has taken actions to address common issues and interests. Thus, Canada receives a score of +1.

Analyst: Yuliya Gorelkina

China: +1

China has fully complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

On 28 September 2016, China's State Administration of Taxation issued the Announcement on Further Improving the Administration for the Export Tax Rebate (Exemption) of Comprehensive Service Enterprises in Foreign Trade Industry to improve the measures for the exemption of

³⁶⁴ Finance Canada Releases Draft Income Tax Technical Amendments, EY 22 September 2016. Date of Access: 25 November 2016. <http://www.ey.com/gl/en/services/tax/international-tax/alert--finance-canada-releases-draft-income-tax-technical-amendments>.

³⁶⁵ Tax Convention Signed Between Canada and the State of Israel, Department of Finance Canada (Ottawa) 23 September 2016. Date of Access: 25 November 2016. http://www.fin.gc.ca/treaties-conventions/notices/israel_1-eng.asp.

³⁶⁶ Tax Treaty Negotiations with San Marino, Department of Finance Canada (Ottawa) 7 October 2016. Date of Access: 25 November 2016. <http://www.fin.gc.ca/treaties-conventions/notices/rsm-eng.asp>.

³⁶⁷ Multilateral Instrument for BEPS Tax Treaty Measures: The Ad hoc Group, OECD (Paris) 24 November 2016. Date of Access: 26 November 2016. <http://www.oecd.org/tax/treaties/multilateral-instrument-for-beps-tax-treaty-measures-the-ad-hoc-group.htm>.

comprehensive service enterprises in the foreign trade industry and boost the stability and development of foreign trade industry.³⁶⁸

On 18 October 2016, China announced the Pilot Program on Qualifying Enterprises inside the Special Customs Supervision Zones for General Value Added Tax (VAT) Taxpayers to promote tax equality, eliminate double taxation, and provide more favorable tax environment for investment decisions.³⁶⁹

On 24 October 2016, China and Cambodia signed an agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.³⁷⁰ The agreement included methods for elimination of double taxation in both countries.³⁷¹

On 29 November 2016, China sent delegates to the first regional meeting of the Inclusive Framework on Base Erosion and Profit shifting (BEPS) in the Asia-Pacific region in Manila, and discussed the latest developments on the implementation work on BEPS.³⁷²

On 5 December 2016, China, as a member of Brazil, Russia, India, China, and South Africa (BRICS) participated in a meeting in Mumbai to discuss possible areas of cooperation as laid out in the Goa Declaration.³⁷³ China agreed to help promote international tax cooperation and exchange relevant knowledge and experience in these areas: combating base erosion and profit shifting, implementing the automatic exchange of information, extending the reach of tax cooperation and building capacity, international tax cooperation.³⁷⁴

China has supported efforts to strengthen developing economies' engagement in the international tax agenda as a member of an international organization by encouraging the international organizations to develop a tool kit of measures to counter tax avoidance, based on best practices and guidelines adapted to the needs of developing countries. Also, China has taken actions to address common issues and interests by publishing tax revenues and undertaking "spillover" analyses of proposed changes to tax law in G20 countries, which could have effect on the fiscal circumstances of developing countries. Thus, China receives a score of +1.

Analyst: Ze Chen

³⁶⁸ Improve the Classified Administration of Export Tax Rebate and Support the Development of Comprehensive Service Enterprises in Foreign Trade Industry, State Administration of Taxation of the People's Republic of China (Beijing) 7 November 2016. Access date: 7 January 2017.

<http://www.chinatax.gov.cn/2013/n2925/n2957/c2342551/content.html>.

³⁶⁹ New VAT Policy Piloted in Special Customs Supervision Zones, State Administration of Taxation of the People's Republic of China (Beijing) 12 December 2016. Access date: 7 January 2017.

<http://www.chinatax.gov.cn/2013/n2925/n2957/c2406627/content.html>.

³⁷⁰ Cambodia, State Administration of Taxation of the People's Republic of China (Beijing) 24 October 2016. Access date: 13 November 2016. <http://www.chinatax.gov.cn/2013/n2925/n2955/c2301630/content.html>.

³⁷¹ Cambodia, State Administration of Taxation of the People's Republic of China (Beijing) 24 October 2016. Access date: 13 November 2016. <http://www.chinatax.gov.cn/2013/n2925/n2955/c2301630/content.html>.

³⁷² OECD holds regional meeting of the Inclusive Framework on BEPS for the Asia-Pacific region, OECD (Paris) 1 December 2016. Access date: 7 January 2017. <http://www.oecd.org/tax/oecd-holds-regional-meeting-of-the-inclusive-framework-on-beps-for-the-asia-pacific-region.htm>.

³⁷³ Communiqué of BRICS Heads of Revenue Meeting Issued in Mumbai on December, 6th 2016, State Administration of Taxation of the People's Republic of China (Beijing) 26 December 2016. Access date: 7 January 2017. <http://www.chinatax.gov.cn/2013/n2925/n2957/c2422197/content.html>.

³⁷⁴ Communiqué of BRICS Heads of Revenue Meeting Issued in Mumbai on December, 6th 2016, State Administration of Taxation of the People's Republic of China (Beijing) 26 December 2016. Access date: 7 January 2017. <http://www.chinatax.gov.cn/2013/n2925/n2957/c2422197/content.html>.

France: +1

France has fully complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

On 1 October 2016, the French government published a decree on implementing the provisions of the General Tax Code on Country-by-Country (CbC) reporting which was introduced by the Finance Law for 2016.³⁷⁵ The decree makes recommendations in accordance with the Organization for Economic Co-operation and Development's (OECD) standards on what information needs to be included in the CbC report. Additionally, it requires that companies meeting the CbC reporting requirements will need to communicate this through an electronic support provided by the French Public Finances General Directorate.³⁷⁶

From 18-20 October 2016, France Expertise, alongside partners in the Dutch Ministry of Finance, Center of Excellence in Finance (CEF), and the International Monetary Fund (IMF) delivered a course on Supporting Capacity Development of Tax Administrations in South East Europe in Ljubljana Slovenia.³⁷⁷

On 21 November 2016, the French government proposed a diverted profits tax in the draft Finance Bill for 2017. A newly created diverted profits tax (DPT) would apply to the portion of profits realized by a legal entity domiciled or established outside of France and related to an activity carried out either through a permanent establishment in France, or by a legal person or individual where it can be legally established that the activity of such legal person or individual aims at avoiding or reducing the tax burden that should be due in France, by not declaring therein a permanent establishment.³⁷⁸

On 20 December 2016, the French government approved the Finance Bill for 2017. The bill includes articles on diversion of profits outside of France, decreases to the French Corporate Income Tax (CIT) rate, increases of the fourth CIT installment due by large entities, strengthening of the Tax Credit for Competitiveness and Employment (CICE), changes affecting the French Transactional Tax (FFT), extension of the French start-up regime until 31 December 2019, acquired software no longer subject to a favorable tax amortization regime, and extension of the French impatriate tax regime.³⁷⁹

France has supported the efforts to strengthen developing economies' engagement in the international tax agenda as a member of an international organization and has taken action to address common issues and interests. Thus, France receives a score of +1.

Analyst: Erwin Voloder

³⁷⁵ Country-by-Country Reporting – Finance Law 2016, French Government and Ministry of Finance (Paris) 1 October 2016. Access Date: 13 November 2016. <http://www.ey.com/gl/en/services/tax/international-tax/alert--the-latest-on-beps---10-october-2016>.

³⁷⁶ Country-by-Country Reporting – Finance Law 2016, French Government and Ministry of Finance (Paris) 1 October 2016. Access Date: 13 November 2016. <http://www.ey.com/gl/en/services/tax/international-tax/alert--the-latest-on-beps---10-october-2016>.

³⁷⁷ Supporting Capacity Development of Tax Administrations in South East Europe, Dutch Ministry of Finance, Center of Excellence in Finance, International Monetary Fund, France Expertise (Ljubljana) 18-20 October 2016. Access Date: 13 November 2016. <http://www.cef-see.org/cooperative-compliance-programs-2016>.

³⁷⁸ Proposed Diverted Profits Tax (DPT), French Government and Parliament (Paris) 21 November 2016. Access Date: 13 January 2017. <http://www.ey.com/gl/en/services/tax/international-tax/alert--france-includes-proposed-diverted-profits-tax-in-draft-finance-bill-for-2017-and-releases-draft-amending-finance-bill-for-2016>.

³⁷⁹ Finance Bill 2017, French Government and Parliament (Paris) 20 December 2016. Access Date: 13 January 2017. <http://www.ey.com/gl/en/services/tax/international-tax/alert--french-parliament-approves-finance-bill-for-2017>.

Germany: +1

Germany has fully complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

On 6 September 2016, Minister of Finance Wolfgang Schäubel spoke at the Bundestag, the National Parliament of the Federal Republic of Germany regarding the presentation of the draft federal budget for 2017. Germany reaffirmed its commitment to exchange information on income from savings and investments globally.³⁸⁰ Within the G20 framework, Germany continued to uphold the Base Erosion and Profit Shifting (BEPS) initiative, which Germany implemented in European and national law.³⁸¹

On 21 November 2016, Germany signed a convention with Panama on the Avoidance of Double Taxation with respect to taxes on income derived from the use of ships and aircrafts³⁸²

On 7 December 2016, Germany ratified an Agreement with Australia for the Elimination of Double Taxation with Respect to Taxes on Income and Capital and the Prevention of Fiscal Evasion and Avoidance.³⁸³ The revised treaty replaces the existing 1972 treaty and reflects much of the updated wording in the current OECD Model Convention as well as recommendations in the OECD final reports in its Action Plan on BEPS (2015 BEPS Reports).³⁸⁴

Germany has supported the efforts to strengthen developing economies' engagement in the international tax agenda as a member of an international organization and has taken action to address common issues and interests. Thus, Germany receives a score of +1.

Analyst: Erwin Voloder

India: +1

India has fully complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

On 29 September 2016, the Protocol Amending the Convention between the Government of Japan and the Government of the Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income was signed. On 29 October 2016, the Protocol had entered into force.³⁸⁵

³⁸⁰ German Federal Draft Budget, Bundestag (Berlin) 6 September 2016. Access Date: 13 November 2016. <http://www.bundesfinanzministerium.de/Content/EN/Reden/2016/2016-09-26-Accept-challenges-maintain-stability-security.html>.

³⁸¹ German Federal Draft Budget, Bundestag (Berlin) 6 September 2016. Access Date: 13 November 2016. <http://www.bundesfinanzministerium.de/Content/EN/Reden/2016/2016-09-26-Accept-challenges-maintain-stability-security.html>.

³⁸² Avoidance of Double Taxation between Germany and Panama for Shipping. Global Tax Alert, Ernst & Young German and Panamanian Tax Desk (New York and Panama City) 21 November 2016. Access Date: 13 January 2017. <http://www.ey.com/gl/en/services/tax/international-tax/alert--panama-and-germany-sign-convention-for-avoidance-of-double-taxation-in-international-transport>.

³⁸³ Germany and Australia Tax Treaty, Global Tax Alert, Ernst & Young German and Australian Tax Desk (New York and Sydney) 7 December 2016. Access Date: 13 January, 2017. <http://www.ey.com/gl/en/services/tax/international-tax/alert--new-australia-germany-tax-treaty-enters-into-force>.

³⁸⁴ Germany and Australia Tax Treaty, Global Tax Alert, Ernst & Young German and Australian Tax Desk (New York and Sydney) 7 December 2016. Access Date: 13 January, 2017. <http://www.ey.com/gl/en/services/tax/international-tax/alert--new-australia-germany-tax-treaty-enters-into-force>.

³⁸⁵ Protocol Amending Tax Convention with India will Enter into Force (Tokyo) 30 September 2016. Date of Access: 8 November 2016. http://www.mof.go.jp/english/tax_policy/tax_conventions/press_release/20160930in.htm.

On 25-30 September 2016, an official from the Indian Revenue Department (IRS) reaffirmed India's work towards the Base Erosion Profit Shifting (BEPS) Project.³⁸⁶

On 30 September 2016, the four month window for tax evasion amnesty in India uncovered INR652.5 billion in undisclosed wealth.³⁸⁷

On 8 November 2016, INR500 and INR1000 notes were removed from circulation to reduce tax evasion.³⁸⁸

On 6 December 2016, India, as a member of Brazil, Russia, India, China and South Africa (BRICS) pledged to share tax information automatically and adopt global standards on tax transparency to check cross border tax evasion. They also resolved to support other developing nations in increasing their tax administrations' capacity to implement the Organization for Economic Cooperation and Development/G20 standard on Automatic Exchange of Information (AEOI).³⁸⁹

On 30 December 2016, India and Singapore signed a protocol to limit abuse of their double taxation avoidance agreement.³⁹⁰

India has supported the efforts to strengthen developing economies' engagement in the international tax agenda through national actions that address common issues and common concerns and as stakeholders or members of international organizations. Thus, India receives a score of +1.

Analyst: Sangeetha Ganesh

Indonesia: +1

Indonesia has fully complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

On 30 September 2016, the first phase of Indonesia's tax amnesty program ended.³⁹¹ The aim of the tax amnesty program is to increase tax compliance in the country, boost tax revenue, and encourage repatriation of offshore assets into Indonesia.³⁹²

As of 16 October 2016, a total of IDR3,842.9 trillion worth of assets has been claimed to Indonesian tax authorities by more than 420,000 people.³⁹³

³⁸⁶ Indian tax official sees expanded role for BEPS inclusive framework, addresses transfer pricing local file (New Delhi) 29 September 2016. Date of Access: 8 November 2016. <http://mnetax.com/indian-tax-official-sees-expanded-role-beps-inclusive-framework-addresses-transfer-pricing-local-file-17364>.

³⁸⁷ India's Tax Evasion Amnesty Uncovers Over \$10 Billion Of Black Money (New Delhi) 2 October 2016. Date of Access: 8 November 2016. <http://www.huffingtonpost.in/2016/10/01/tax-evasion-amnesty-uncovers-over-10-billion-usd-of-black-money/>.

³⁸⁸ India withdraws 500 and 1,000 rupee notes in effort to fight corruption (New Delhi) 8 November 2016. Date of Access: 8 November 2016. <https://www.theguardian.com/world/2016/nov/08/india-withdraws-500-1000-rupee-notes-fight-corruption>.

³⁸⁹ BRICS nations vow to automatic sharing of tax information, 6 December 2016. Access date: 10 January 2017. http://www.moneycontrol.com/news/economy/brics-nations-vow-to-automatic-sharingtax-information_8072201.html.

³⁹⁰ India, Singapore Revise Tax Treaty (Hong Kong) 5 January 2017. Date of Access: 10 January 2017. http://www.tax-news.com/news/India_Singapore_Revise_Tax_Treaty___73132.html.

³⁹¹ Tax Amnesty Program Indonesia, Indonesia-Investments (Jakarta). Date of Access: 14 November 2016. <http://www.indonesia-investments.com/finance/tax-system/tax-amnesty-program/item7124>.

³⁹² Tax Amnesty Program Indonesia, Indonesia-Investments (Jakarta). Date of Access: 14 November 2016. <http://www.indonesia-investments.com/finance/tax-system/tax-amnesty-program/item7124>.

On 24 October 2016, a meeting was held between Organization for Economic Co-operation and Development (OECD) Secretary General Angel Gurría and President of Indonesia Joko Widodo during which President Widodo iterated that Indonesia would implement tax reforms soon.³⁹⁴

On 31 December 2016, the second phase of Indonesia's tax amnesty program ended. As of this date, a total of IDR4,295.9 trillion worth of assets has been declared. Additionally, IDR 140.5 trillion of overseas assets were reclaimed. Asset repatriation remains unsuccessful as the goal of IDR1,000 trillion has yet to be reached.³⁹⁵

Indonesia has supported the efforts to strengthen developing economies' engagement in the international tax agenda through national actions that address common issues and common concerns and as stakeholders or member of international organizations. Thus, Indonesia receives a score of +1.

Analyst: Alyssa Atef

Italy: 0

Italy has partially complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

On 30 November 2016, Italy published their Consumption Tax Trends for 2016. It provides information on value added tax/goods and services tax (VAT/GST) and excise duty rates. It also contains information about indirect tax topics such as international aspects of VAT/GST developments and its efficiency.³⁹⁶

On 30 November 2016, Italy published data on government sector receipts, and on taxes in particular.³⁹⁷

Italy has led by example however, has not acted as a shareholder or member of an international organization. Thus, Italy receives a score of 0.

Analyst: Sonja Dobson

Japan: +1

Japan has fully complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

On 4 November 2016, Japan attended the Ninth Meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes.³⁹⁸ At the Global Forum, Japan pledged technical assistance for developing countries.³⁹⁹

³⁹³ Tax Amnesty Indonesia: Regulations for Asset Repatriations Eased, Indonesia-Investments (Jakarta) 17 October 2016. Date of Access: 14 November 2016. <http://www.indonesia-investments.com/news/todays-headlines/tax-amnesty-indonesia-regulations-asset-repatriation-eased/item7274>.

³⁹⁴ Indonesia must tell its taxpayers its amnesty is the last – OECD, Reuters (London) 24 October 2016. Date of Access: 16 November 2016. <http://www.reuters.com/article/us-indonesia-tax-oecd-idUSKCN1200WN>.

³⁹⁵ 2nd Phase Indonesia's Tax Amnesty Program Ended, What's the Score? 2 January 2017. Indonesia-Investments (Jakarta). Date of Access: 13 January 2017. <http://www.indonesia-investments.com/news/todays-headlines/2nd-phase-indonesia-s-tax-amnesty-program-ended-what-s-the-score/item7482?>

³⁹⁶ Consumption Tax Trends 2016 - Italy, Organization for the Economic Cooperation and Development 30 November 2016. Date of Access: 11 January 2016. <http://www.oecd.org/tax/consumption/consumption-tax-trends-italy.pdf>.

³⁹⁷ Revenue Statistics 2016 - Italy, Organization for the Economic Cooperation and Development 30 November 2016. Date of Access: 11 January 2016. <http://www.oecd.org/tax/revenue-statistics-italy.pdf>.

On 29 November 2016, Japan sent delegates to the first regional meeting of the Inclusive Framework on Base Erosion and Profit shifting (BEPS) in the Asia-Pacific region in Manila, and discussed the latest developments on the implementation work on BEPS.⁴⁰⁰

On 8 December 2016, Japan issued the 2017 Tax Proposal, which included amendments consistent with the BEPS recommendations with the stated purpose to support the healthy expansion of Japanese companies into growing global markets while limiting tax avoidance.⁴⁰¹

On 1 January 2017, the increase in scope of taxation for Non-Permanent Resident taxpayers of Japan became effective.⁴⁰² The new rule on income from the sale of other personal property will still apply given that 2017 Japan Tax Reform Proposal provides a potential exemption on capital gains on foreign-transacted securities for Non-Permanent Residents.⁴⁰³

Japan has supported efforts to implement national actions that address common issues and common interests and has implemented actions to strengthen developing economies' engagement in the international tax agenda as a member of an international organization. Thus, Japan receives a score of +1.

Analyst: Ze Chen

Korea: +1

Korea has fully complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

On 12 September 2016, the new income tax treaty signed between India and Korea entered into force.⁴⁰⁴ This treaty is designed to prevent avoidance or evasion of taxes.⁴⁰⁵

On 27 September 2016, the income tax treaty between Hong Kong and Korea, signed on 8 July 2014, entered into force.⁴⁰⁶ The treaty included exemption or reduction of tax on dividends, interest and royalties.⁴⁰⁷

³⁹⁸ Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD (Paris) 4 November 2016. Date of Access: 13 November 2016. <http://www.oecd.org/tax/transparency/statement-of-outcomes-GF-plenary-2016.pdf>.

³⁹⁹ Global Forum Annual Report 2016, 4 November 2016. Date of Access: 13 November 2016. <http://www.oecd.org/tax/transparency/GF-annual-report-2016.pdf>.

⁴⁰⁰ OECD holds regional meeting of the Inclusive Framework on BEPS for the Asia-Pacific region, OECD (Paris) 1 December 2016. Access date: 7 January 2017. <http://www.oecd.org/tax/oecd-holds-regional-meeting-of-the-inclusive-framework-on-beps-for-the-asia-pacific-region.htm>.

⁴⁰¹ 2017 Tax Reform Proposal, EY (London) December 2016. Date of Access: 11 January 2017 <http://www.pwc.com/jp/en/taxnews/pdf/jtu-20161222-en-126.pdf>.

⁴⁰² Japan Non-Permanent Residents to be Taxed on Sale of Personal Property Outside of Japan, EY(London) December 2016. Date of Access: 11 January 2017. <http://www.pwc.com/jp/en/taxnews-international-assignment/assets/gms-20161215-en.pdf>.

⁴⁰³ Japan Non-Permanent Residents to be Taxed on Sale of Personal Property Outside of Japan, EY(London) December 2016. Date of Access: 11 January 2017. <http://www.pwc.com/jp/en/taxnews-international-assignment/assets/gms-20161215-en.pdf>.

⁴⁰⁴ New India-Korea Income Tax Treaty Enters into Force, EY (London) 21 October 2016. Date of Access: 11 November 13, 2016. <http://taxinsights.ey.com/archive/archive-news/new-india-korea-income-tax-treaty-enters-into-force.aspx>.

⁴⁰⁵ New India-Korea Income Tax Treaty Enters into Force, EY (London) 21 October 2016. Date of Access: 11 November 13, 2016. <http://taxinsights.ey.com/archive/archive-news/new-india-korea-income-tax-treaty-enters-into-force.aspx>.

⁴⁰⁶ Hong Kong-Korea Income Tax Treaty Enters into Force, EY (London) 5 October 2016. Date of Access: 11 November 13, 2016. <http://taxinsights.ey.com/archive/archive-news/hong-kong-korea-income-tax-treaty-enters-into-force.aspx>.

⁴⁰⁷ Hong Kong-Korea Income Tax Treaty Enters into Force, EY (London), 5 October 2016. Date of Access: 11 November 13, 2016. <http://taxinsights.ey.com/archive/archive-news/hong-kong-korea-income-tax-treaty-enters-into-force.aspx>.

On 14 October 2016, Korea signed an agreement on the automatic exchange of financial account information to improve international tax compliance with Singapore.⁴⁰⁸

On 29 November 2016, Korea sent delegates to the first regional meeting of the Inclusive Framework on Base Erosion and Profit shifting (BEPS) in the Asia-Pacific region in Manila, and discussed the latest developments on the implementation work on BEPS.⁴⁰⁹

Korea has supported efforts to implement national actions that address common issues and common interests and has implemented actions to strengthen developing economies' engagement in the international tax agenda as a member of an international organization. Thus, Korea receives a score of +1.

Analyst: Ze Chen

Mexico: +1

Mexico has fully complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

From 26-30 September 2016, Mexico held a conference on Transfer Pricing Documentation and Country-by-Country Reporting, as part of the Base Erosion and Profit Shifting (BEPS) Action Plan, through its Organization for Economic Co-Operation and Development (OECD) Multilateral Tax Centre.⁴¹⁰

From 10-11 October 2016, the OECD Secretary-General Angel Gurría and Director-General of the Mexican Social Security Institute (IMSS), Mikel Arreola, signed a cooperation agreement on regulatory policy aiming at simplifying IMSS formalities and making them readily available for the benefit of citizens and businesses.⁴¹¹

On 14 October 2016, Mexico and the United States announced an agreement on a transfer pricing framework for US multinational enterprises that have maquiladora operations in Mexico, which will require US firms to accept Mexico's tax administration's advance pricing agreements at arm's length. This represents Mexican efforts to address corporate tax avoidance, one of the major challenges outlined in the BEPS framework and a major risk to the tax base of developing countries.⁴¹²

⁴⁰⁸ Agreement between the Competent Authorities of Singapore and the Republic of Korea on the Automatic Exchange of Financial Account Information to Improve International Tax Compliance, Inland Revenue Authority of Singapore (Singapore) 14 October 2016. Date of Access: 13 November 2016.

[https://www.iras.gov.sg/irashome/uploadedFiles/IRASHome/Quick_Links/International_Tax/Singapore-Korea%20CAA%20\(Not%20in%20force\)%20\(14%20Oct%202016\)%20\(002\).pdf](https://www.iras.gov.sg/irashome/uploadedFiles/IRASHome/Quick_Links/International_Tax/Singapore-Korea%20CAA%20(Not%20in%20force)%20(14%20Oct%202016)%20(002).pdf).

⁴⁰⁹ OECD holds regional meeting of the Inclusive Framework on BEPS for the Asia-Pacific region, OECD (Paris) 1 December 2016. Date of Access: 7 January 2017. <http://www.oecd.org/tax/oecd-holds-regional-meeting-of-the-inclusive-framework-on-beps-for-the-asia-pacific-region.htm>.

⁴¹⁰ Transfer Pricing Documentation and Country-by-Country Reporting, Organization for Economic Co-operation and Development (Mexico City) 26 September 2016. Date of Access: 13 November 2016. <http://www.oecd.org/ctp/tax-global/mtc-mexico-event-tp-documentation-and-cbc-reporting-september-2016.pdf>.

⁴¹¹ Mr. Angel Gurría, Secretary-General of the OECD, in Mexico on 10-11 October 2016, Organization for Economic Co-operation and Development (Mexico City) 11 October 2016. Date of Access: 13 November 2016. <https://www.oecd.org/mexico/oecd-secretary-general-in-mexico-on-10-11-october-2016.htm>.

⁴¹² US, Mexico agree to transfer pricing framework for maquiladoras, Multinational Tax & Transfer Pricing News 14 October 2016. Date of Access: 13 November 2016. <http://mnetax.com/us-mexico-agree-transfer-pricing-framework-maquiladoras-17647>.

On 27 October 2016, the Mexican Congress approved the 2017 Bill, which includes amendments to the Mexican tax legislation, including incentives to multinational companies in terms of corporate income tax and value added tax (VAT).⁴¹³

From 2-4 November 2016, the Global Forum on Transparency and Exchange of Information for Tax Purposes, of which Mexico is a member, held its 9th annual meeting in Tbilisi, Georgia to further the shared goal of improving tax transparency. This meeting marked the completion of the first round of the Forum's peer review process, and resulted in the publication of a second phase of reviews on the Exchange of Information on Request standards.⁴¹⁴

On 18 November 2016, Mexico signed a joint declaration with Switzerland on the introduction of automatic exchange of information (AEOI) in tax matters.⁴¹⁵

Mexico has supported efforts to strengthen developing economies' engagement in the international tax agenda as a member of an international organization and has taken actions to address common issues and interests. Thus, Mexico receives a score of +1.

Analyst: Katie Fettes

Russia: +1

Russia has fully complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

On 6 December 2016, Russia with other Brazil, Russia, India, China and South Africa (BRICS) nations pledged to share tax information automatically and adopt global standards on tax transparency to check cross border tax evasion. They also resolved to support other developing nations in increasing their tax administrations' capacity to implement the Organization for Economic Co-operation and Development (OECD)/G20 standard on Automatic Exchange of Information (AEOI).⁴¹⁶

Russia is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information and intends to implement first information exchange in September 2018.⁴¹⁷

On 12 December 2016, the Government of Russia decided to sign the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports (CbC MCAA).⁴¹⁸

⁴¹³ Mexico approves 2017 tax reform measures, PricewaterhouseCoopers News (Mexico City) 7 November 2016. Date of Access: 13 November 2016. <http://www.pwc.com/us/en/tax-services/publications/insights/mexico-approves-2017-tax-reform-measures.html>.

⁴¹⁴ Statement of Outcomes – Global Forum on Transparency and Exchange of Information for Tax Purposes, Organization for Economic Co-operation and Development (Tbilisi) 2-4 November 2016. Date of Access 13 November 2016. <http://www.oecd.org/tax/transparency/statement-of-outcomes-GF-plenary-2016.pdf>.

⁴¹⁵ Switzerland agrees to automatic exchange of information with Brazil, Mexico, Uruguay, Multinational Tax & Transfer Pricing News 21 November 2016. Date of Access: 13 January 2017. <http://mnetax.com/switzerland-agrees-automatic-exchange-information-brazil-mexico-uruguay-18180>.

⁴¹⁶ BRICS nations vow to automatic sharing of tax information, 6 December 2016. Date of Access: 10 January 2017. http://www.moneycontrol.com/news/economy/brics-nations-vow-to-automatic-sharing-tax-information_8072201.html.

⁴¹⁷ Signatories of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information and Intended First Information Exchange Date, OECD 2 November 2016. <http://www.oecd.org/tax/automatic-exchange/international-framework-for-the-crs/MCAA-Signatories.pdf>

On 1 January 2017, the Agreement between Russia and China on Avoidance of Double Taxation entered into force.⁴¹⁹

According to the Main Directions for Tax Policy in 2017 and 2018-2019 Period, published by the Russian Ministry of Finance on 30 November 2016, Russia will continue to conduct new agreements on avoidance of double taxation with other countries.⁴²⁰

Russia has supported efforts to strengthen developing economies' engagement in the international tax agenda through national actions that address common issues and common concerns and as a member of international organizations. Thus, Russia receives a score of +1.

Analysts: Sangeetha Ganesh & Mark Rakhmangulov

Saudi Arabia: 0

Saudi Arabia has partially complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

On 11 October 2016, the Council of Ministers authorized the minister of finance or his deputy to discuss two draft uniform agreements on the value added tax and selective tax agreements for the Gulf Cooperation states.⁴²¹

On 15 November 2016, Saudi Arabia signed a Model 1 intergovernmental agreement with the United States. On this day, Saudi Arabia also signed an understanding regarding the treatment under Foreign Account Tax Compliance Act of securities registered in the Securities Depository Centre within the Saudi Stock Exchange.⁴²²

Saudi Arabia has partially supported efforts to strengthen developing economies' engagement in the international tax agenda as a member of an international organization however, has not implemented national actions that address common issues and common interests. Thus, Saudi Arabia receives a score of 0.

Analyst: Alyssa Atef

South Africa: +1

South Africa has fully complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

⁴¹⁸ Multilateral Competent Authority Agreement on the Exchange of Country-By-Country Reports, Government of Russia 12 December 2016. <http://government.ru/docs/25626/>

⁴¹⁹ List of International Agreements on Avoiding Double Taxation between Russia and Other Countries, Ministry of Finance of Russia 30 December 2016.

http://minfin.ru/ru/performance/tax_relations/international/?id_57=117045&page_id=179&popup=Y&area_id=57

⁴²⁰ Main Directions for Tax Policy in 2017 and 2018-2019 Period, Ministry of Finance.

http://minfin.ru/ru/?id_65=116206&page_id=1&popup=Y&area_id=65

⁴²¹ GCC uniform deal on VAT, selective tax a step closer, Saudi Gazette (Jeddah) 11 October 2016. Date of Access: 16 November 2016. <http://saudigazette.com.sa/saudi-arabia/gcc-uniform-deal-vat-selective-tax-step-closer/>

⁴²² Saudi Arabia FATCA IGA Signed with US, Multinational Tax & Transfer Pricing News (Vienna) 16 November 2016. Date of Access: 17 November 2016. <http://mnetax.com/saudi-arabia-fatca-iga-signed-us-18108>.

As of November 2016, South Africa is the co-chair, along with the Netherlands, of the Organization for Economic Co-operation and Development Task Force on Tax and Development.⁴²³

On 7 September 2016, the South African Standing Committee on Finance officially approved several international agreements. These include the Amending protocol to the South Africa-Brazil double taxation agreement (DTA), the South Africa-United Arab Emirates DTA, the South Africa-Singapore DTA, the South Africa-Zimbabwe DTA, the South Africa-Uruguay Exchange of Information Agreement (EIA), the South Africa-Turks and Caicos Islands EIA, and the South Africa-St. Kitts and Nevis EIA.⁴²⁴

On 9 September 2016, the South African Revenue Service (SARS) announced that the South Africa-Chile DTA was approved by Parliament.⁴²⁵

On 25 September 2016, SARS and the National Treasury published a second round of the 2016 Draft Taxation Laws Amendment Bill, which includes proposals to extend the Employment Tax Incentive until 28 February 2019 in order to promote youth employment, and the Learnership Tax Incentive until 31 March 2022 in order to provide support to training and skills development.⁴²⁶

From 3-7 October 2016, South Africa hosted the 4th General Assembly meeting of the African Tax Administration Forum in Durban, in order to further the shared goals of strengthening the capacity of African tax administrations to achieve their revenue objectives and developing partnerships between African countries with regards to the role of taxation in governance and state-building.⁴²⁷

From 2-4 November 2016, Global Forum on Transparency and Exchange of Information for Tax Purposes, of which South Africa is chair, held its 9th annual meeting in Tbilisi, Georgia to further the shared goal of improving tax transparency. This meeting marked the completion of the first round of the Forum's peer review process, and resulted in the publication of a second phase of reviews on the Exchange of Information on Request standards.⁴²⁸

On 24 November 2016, South Africa signed a joint declaration with Switzerland on the introduction of Automatic Exchange of Information (AEOI) in tax matters on a reciprocal basis.⁴²⁹

⁴²³ Work on Taxation Brochure – Centre for Tax Policy and Administration, Organization for Economic Co-operation and Development 26 October 2016. Date of Access: 12 November 2016. <http://www.oecd.org/tax/administration/centre-for-tax-policy-and-administration-brochure.pdf>.

⁴²⁴ South African Finance Committees approve several international agreements, Ernst & Young Tax Insights 19 September 2016. Date of Access: 13 November 2016. <http://taxinsights.ey.com/archive/archive-news/south-african-finance-committees-approve-several-international.aspx>.

⁴²⁵ South Africa – Chile double taxation agreement enters into force, Ernst & Young Tax Insights 15 September 2016. Date of Access: 13 November 2016. <http://taxinsights.ey.com/archive/archive-news/south-africa-chile-double-taxation-agreement-enters-into-force.aspx>.

⁴²⁶ 2016 Draft Taxation Laws Amendment Bill (Second Batch), Department of National Treasury (Pretoria) 25 September 2016. Date of Access: 12 November 2016. [http://www.treasury.gov.za/comm_media/press/2016/2016092501%20-%20Tax%20Laws%20Amendment%20Bill%20\(Second%20Batch\).pdf](http://www.treasury.gov.za/comm_media/press/2016/2016092501%20-%20Tax%20Laws%20Amendment%20Bill%20(Second%20Batch).pdf).

⁴²⁷ Logistics Note: Welcome to the 4th ATAF General Assembly at the Fairmont Zimbali Resort in Durban South Africa from the 3rd to the 7th of October 2016, African Tax Administration Forum (Pretoria) 3-7 October 2016. Date of Access: 12 November 2016. <http://www.ataftax.org/en/Conferences/Documents/LOGISTICAL%20NOTE%20Eng.pdf>.

⁴²⁸ Statement of Outcomes – Global Forum on Transparency and Exchange of Information for Tax Purposes, Organization for Economic Co-operation and Development (Tbilisi) 2-4 November 2016. Date of Access: 13 November 2016. <http://www.oecd.org/tax/transparency/statement-of-outcomes-GF-plenary-2016.pdf>.

⁴²⁹ South Africa, Switzerland agree to automatic exchange of information, Multinational Tax & Transfer Pricing News 26 November 2016. Date of Access: 2 January 2017. <http://mnetax.com/south-africa-switzerland-agree-automatic-exchange-information-18241>.

On 30 November 2016, South Africa entered signed a new tax treaty with Singapore. On 16 December 2016, the treaty came into force.⁴³⁰

On 6 December 2016, during a two day meeting of the heads of Revenue of BRICS (Brazil, Russia, India, China and South Africa) countries, South Africa pledged to share tax information automatically, adopt global standards on tax transparency to check cross border tax evasion, and support other developing nations to increase the capacity of their tax administrations to implement the global standard on AEOI.⁴³¹

South Africa has supported efforts to strengthen developing economies' engagement in the international tax agenda as a member of an international organization and has taken actions to address common issues and interests. Thus, South Africa receives a score of +1.

Analyst: Katie Fettes

Turkey: +1

Turkey has fully complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

On 8 October 2016, Deputy Prime Minister Mehmet Şimşek issued a statement at the thirty-fourth meeting during of the International Monetary and Financial Committee of the International Monetary Fund calling upon the need for the council member states to adopt tax reform in addition to implementing other economic reform measures.⁴³²

On 20 October 2016, Turkish Finance Minister Naci Ağbal stated that Turkey will introduce tax breaks for regular contributors in 2017, whereby those who have declared their taxes within the last three to five years and paid on time will receive a discount.⁴³³

On 25 October 2016, Turkey implemented a range of tax reforms for their tax inspections, the Tax Inspection Board, and Tax Commissions. The reforms included investigations by the Tax Inspection Board being categorized as administrative, the legal obligation of Tax Inspectors to notify authorities of any acts which may constitute as crime, and tax inspections being conducted relative to the subject and period outlined on the notice among others.⁴³⁴

On 30 October 2016, the Finance Minister of Turkey extended the deadline for the law on Restructuring Certain Public receivable or "Tax Amnesty" from 31 October 2016 to 25 November 2016. This law dictates the restructuring of outstanding tax and other public receivables and allows

⁴³⁰ Singapore-South Africa tax treaty enters into force, Multinational Tax & Transfer Pricing News. 22 December 2016. Date of Access: 13 January 2017. <http://mnetax.com/singapore-south-africa-tax-treaty-enters-force-18772>.

⁴³¹ BRICS nations vow to automatic sharing of tax information, Money Control 6 December 2016. Date of Access: 2 January 2017. http://www.moneycontrol.com/news/economy/brics-nations-vow-to-automatic-sharingtax-information_8072201.html.

⁴³² International Monetary and Financial Committee: Thirty-Fourth Meeting, International Monetary Fund (Washington) 8 October 2016. Date of Access: 17 November 2016. <http://www.imf.org/External/AM/2016/imfc/statement/eng/tur.pdf>.

⁴³³ Turkey reveals tax incentives for regular contributors, Hurriyet Daily News (Istanbul) 20 October 2016. Date of Access: 17 November 2016. <http://www.hurriyetdailynews.com/turkey-reveals-tax-incentives-for-regular-contributors-.aspx?pageID=238&nID=105173&NewsCatID=344>.

⁴³⁴ Turkey: Turkey Streamlines Tax Inspection Processes And Ends Tax Inspection Board's Reporting Powers, Mondaq 18 November 2016. Date of Access: 18 November 2016. <http://www.mondaq.com/turkey/x/545788/tax+authorities/Turkey+Streamlines+Tax+Inspection+Processes+And+Extends+Tax+Inspection+Boards+Reporting+Powers>.

for Turkish companies to close their accounts when faced with potential tax audits through voluntary tax base increases.⁴³⁵

Turkey has supported the efforts to strengthen developing economies' engagement in the international tax agenda through national actions that address common issues and common concerns and as stakeholders or member of international organizations. Thus, Turkey receives a score of +1.

Analyst: Alyssa Atef

United Kingdom: +1

The United Kingdom has fully complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

On 15 September 2016, the UK Finance Act 2016 received Royal Assent enacting legislation. It requires large businesses to publish their UK tax strategy publicly.⁴³⁶ This will require any multinational group with a turnover of over GBP750 million and at least one UK subsidiary or a UK private equity to publish its UK tax strategy.⁴³⁷

On 11 October 2016, as a member of the Council of the European Union, the United Kingdom issued a press release setting out the Council's conclusions on Tax Transparency. It outlined the intention of the Commission to explore possibilities for Mandatory Disclosure Rules which was inspired by Action 12 of the Organization for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (BEPS) project.⁴³⁸

On 13 October 2016, HM Revenue and Customs (HMRC), the UK's tax, payments and customs authority published a draft that will form part of the Criminal Finances Bill on legislation and guidance for a corporate offence of failure to prevent the criminal facilitation of tax evasion.⁴³⁹

On 13 October 2016, as a member of the European Court of Auditors, the UK gave the EU annual accounts of a clean bill of health for the 9th year in a row.⁴⁴⁰

On 17 October 2016, the UK HMRC released updated guidance on Disclosure of Tax Avoidance Schemes (DOTAS). The guidance supplements the DOTAS rules on tax disclosure.⁴⁴¹

On 25 October 2016, as a member of the European Commission, the UK announced plans to refurbish the way in which companies are taxed in the Single Market, creating a growth-friendly and

⁴³⁵ Receivable restructuring applications hit record high levels: Finance minister, Hurriyet Daily News (Istanbul) 31 October 2016. Date of Access: 17 November 2016. <http://www.hurriyetdailynews.com/receivable-restructuring-applications-hit-record-high-levels-finance-minister-.aspx?pageID=238&nID=105577&NewsCatID=346>.

⁴³⁶ Large businesses: publish your tax strategy, 24 June 2016, UK Government. Date of Access: 03 April.2017. <https://www.gov.uk/guidance/large-businesses-publish-your-tax-strategy>

⁴³⁷ The Latest On BEPS - 7 November 2016, EY 7 November 2016. Date of Access: 13 November 2016. <http://www.ey.com/gl/en/services/tax/international-tax/alert--the-latest-on-beps---7-november-2016>.

⁴³⁸ The Latest on BEPS - 24 October 2016, EY 24 October 2016. Date of Access: 13 November 2016. <http://www.ey.com/gl/en/services/tax/international-tax/alert--the-latest-on-beps---24-october-2016>.

⁴³⁹ Tackling tax evasion: legislation and guidance for a corporate offence of failure to prevent the criminal facilitation of tax evasion, HM Revenue & Customs (London) 13 October 2016. Date of Access: 13 November 2016. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/560118/Tackling_tax_evasion-legislation_guidance_corporate_offence_of_failure_to_prevent_criminal_facilitation_tax_evasion-Summary_Responses.pdf.

⁴⁴⁰ European Court of Auditors signs off the EU accounts for 9th year in a row, European Commission (Brussels) 13 October 2016. Date of Access: 11 November 2016. http://europa.eu/rapid/press-release_IP-16-3343_en.htm.

⁴⁴¹ The Latest On BEPS - 7 November 2016, EY 7 November 2016. Date of Access: 13 November 2016. <http://www.ey.com/gl/en/services/tax/international-tax/alert--the-latest-on-beps---7-november-2016>.

fair corporate tax system. This plan is part of a broader package of corporate tax reforms, the Common Consolidated Corporate Tax Base (CCCTB), a plan first created in 2011 as a tool against tax avoidance. Pierre Moscovici, Commissioner for Economic and Financial Affairs, Taxation and Customs said: "With the rebooted CCCTB proposal, we're addressing the concerns of both businesses and citizens in one fell swoop. The many conversations I've had as Taxation Commissioner have made it crystal-clear to me that companies need simpler tax rules within the EU. At the same time, we need to drive forward our fight against tax avoidance, which is delivering real change."⁴⁴²

On 25 October 2016, as a member of the European Commission, the UK announced a new package of corporate tax reforms. This package includes; a two stage proposal towards a Common Consolidated Corporate Tax Base; a Directive on Double Taxation Dispute Resolution MEchanism in the EU; and amendments to the Anti-Tax Avoidance Directive agreed in June 2016, as regards hybrid mismatches with third countries. It is proposed that Member States should transpose these proposals by 31 December 2017 at the latest, and that it shall apply from 1 January 2019. These rules are modelled on the rules contained in the OECD Action Plan on BEPS report.⁴⁴³

On 2 November 2016, the UK Financial Secretary to the Treasury Jane Ellison signed a double taxation agreement with the Colombian Finance Minister Mauricio Crdenas. This agreement includes provisions which will help both countries work together to tackle tax avoidance and evasion.⁴⁴⁴ This agreement will not enter into force until both countries have completed their legislative procedures and exchanged diplomatic notes.⁴⁴⁵

On 3 November 2016, the UK government signed a double taxation agreement with the Lesotho government. This agreement aims to avoid double taxation and prevent fiscal evasion with respect to taxes on income and on capital gains. This agreement will not enter into force until both countries have completed their legislative procedures and exchanged diplomatic notes.⁴⁴⁶

On 8 November 2016, as a member of the Economic and Financial Affairs Council (ECOFIN) of the EU, the UK agreed on the criteria and the process for the establishment of an EU list of non-cooperative jurisdictions that do not respect the tax good governance standards. This is a goal of the External Strategy for Effective Taxation as part of the Anti-Tax Avoidance Package introduced in January 2016.⁴⁴⁷

On 10 November 2016, as a member of the European Commission, the UK launched a public consultation to gather feedback on the war forward for EU action on advisers and intermediaries who

⁴⁴² Commission proposes major corporate tax reform for the EU, European Commission (Strasbourg) 25 October 2016. Date of Access: 13 November 2016. http://europa.eu/rapid/press-release_IP-16-3471_en.htm.

⁴⁴³ The Latest on BEPS - 7 November 2016, EY 7 November 2016. Date of Access: 13 November 2016. <http://www.ey.com/gl/en/services/tax/international-tax/alert--the-latest-on-beps---7-november-2016>.

⁴⁴⁴ UK and Columbia Sign Double Taxation Agreement, HM Revenue & Customs 2 November 2016. Date of Access: 13 November 2016. <http://www.govwire.co.uk/news/hm-revenue-and-customs/uk-and-columbia-sign-double-taxation-agreement-6106>.

⁴⁴⁵ UK/Columbia Double Taxation Agreement, HM Revenue & Customs (London) 2 November 2016. Date of Access: 13 November 2016. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/565499/columbia_dta_not_in_force.pdf.

⁴⁴⁶ UK and Columbia Sign Double Taxation Agreement, HM Revenue & Customs 2 November 2016. Date of Access: 13 November 2016. <http://www.govwire.co.uk/news/hm-revenue-and-customs/uk-and-columbia-sign-double-taxation-agreement-6106>.

⁴⁴⁷ European Council agrees on criteria for screening of third country jurisdictions, EY 10 November 2016. Date of Access: 13 November 2016. <http://www.ey.com/gl/en/services/tax/international-tax/alert--european-council-agrees-on-criteria-for-screening-of-third-country-jurisdictions>.

facilitate tax evasion and tax avoidance. This reflects the goal of the Commission to shed more light on the activities of tax advisers laid out in the Communication on Further Measures to Enhance Transparency and Fight Against Tax Evasion and Avoidance. This is part of the Commission's interest in gathering views on how a mandatory disclosure scheme for tax advisers could be implemented, which reflects the goals of the OECD's non-binding guidelines (BEPS Action 12) for the disclosure of aggressive tax planning strategies.⁴⁴⁸

On 24 November 2016, as a member of the OECD, the UK and more than 100 other jurisdictions have concluded negotiations on the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS. It will implement minimum standards to counter treaty abuse and to improve dispute resolution mechanism while providing flexibility to accommodate specific tax treaty policies. It will also allow governments to strengthen their tax treaties with other tax treaty measures developed in the OECD/G20 BEPS project.⁴⁴⁹

On 30 November 2016, the UK published their Consumption Tax Trends for 2016. It provides information on value added tax/goods and services tax (VAT/GST) and excise duty rates. It also contains information about indirect tax topics such as international aspects of VAT/GST developments and its efficiency.⁴⁵⁰

On 30 November 2016, the UK published data on government sector receipts, and on taxes in particular.⁴⁵¹

On 5 December 2016, as a member of the OECD, the UK released two new documents to support the global implementation of Country-by-Country (CbC) reporting. It includes key details of jurisdiction's domestic legal frameworks for CbC reporting and additional interpretive guidance on the CbC reporting standard. These documents will provide essential information that will give certainty to tax administrations and MNE groups on the implementation of CbC reporting.⁴⁵²

On 5 December 2016, as a member of the OECD, the UK released its annual statistical publication on the Mutual Agreement Procedure (MAP) caseloads of all OECD member countries and partner economies for the 2015 reporting period.⁴⁵³

On 6 December 2016, as a member of the European Council, the UK agreed to a draft directive aimed at closing down 'hybrid mismatches' with the tax systems of third countries. The issue agreed

⁴⁴⁸ Commission gathers views on future rules to deter promoters of aggressive tax planning scheme, European Commission (Brussels) 10 November 2016. Date of Access: 13 November 2016. http://europa.eu/rapid/press-release_IP-16-3618_en.htm.

⁴⁴⁹ Countries adopt multilateral convention to close tax treaty loopholes and improve functioning of international tax system, Organization for the Economic Cooperation and Development 24 November 2016. Date of Access: 12 January 2017. <http://www.oecd.org/tax/countries-adopt-multilateral-convention-to-close-tax-treaty-loopholes-and-improve-functioning-of-international-tax-system.htm>.

⁴⁵⁰ Consumption Tax Trends 2016 - the United Kingdom, Organization for the Economic Cooperation and Development 30 November 2016. Date of Access: 11 January 2017. <http://www.oecd.org/tax/consumption/consumption-tax-trends-united-kingdom.pdf>.

⁴⁵¹ Revenue Statistics 2016 - the United Kingdom, Organization for the Economic Cooperation and Development 30 November 2016. Date of Access: 11 January 2017. <http://www.oecd.org/tax/revenue-statistics-united-kingdom.pdf>.

⁴⁵² OECD releases further BEPS guidance on Country-by-Country reporting and country-specific information on implementation, Organization for the Economic Cooperation and Development 5 December 2016. Date of Access: 12 January 2017. <http://www.oecd.org/tax/oecd-releases-further-beps-guidance-on-country-by-country-reporting-and-country-specific-information-on-implementation.htm>.

⁴⁵³ OECD releases 2015 Mutual Agreement Procedure statistics, EY 7 December 2016. Date of Access: 12 January 2017. <http://www.ey.com/gl/en/services/tax/international-tax/alert--oecd-releases-2015-mutual-agreement-procedure-statistics>.

upon will prevent corporate tax payed from exploiting disparities between tax jurisdictions and allow tax authorities to access information held by authorities responsible for the prevention of money laundering.⁴⁵⁴

On 6 December 2016, the UK Government is proceeding with its planned reform of the corporation tax loss rules. It includes an expansion of the type of profits against which brought forward losses incurred on or after 1 April 2017 can be offset and a restriction, in relation to profits incurred on or after 1 April 2017, of the utilization of brought forward losses to 50 per cent of profits (above a GBP 5 million allowance per group).⁴⁵⁵

On 12 December 2016, the UK introduced an online, digital system for anti-money laundering supervision through HM Revenue and Customs, which will be launched in 2017.⁴⁵⁶

On 22 December 2016, as a member of the OECD, the UK released an updated version of Action 4 of the BEPS Action Plan. It includes further guidance on the design and operation of the group ratio rule as well as approaches to deal with risks posed by the banking and insurance sectors.⁴⁵⁷

On 1 January 2017, the comprehensive Double Taxation Convention between the UK and Uruguay has taken effect. It entered into force on 14 November 2016 and has taken effect for taxes withheld at source, and in respect of other taxes, for taxable periods beginning on or after 1 January 2017.⁴⁵⁸

On 1 January 2017, the UK has put into effect a law that will allow HR Revenue and Customs, for the first time, to charge civil penalties on the facilitators of the tax evasion who provide planning, advice or other professional services or physically move funds offshore.⁴⁵⁹

The UK has supported the efforts to strengthen developing economies' engagement in the international tax agenda through national actions that address common issues and common concerns and as stakeholders or member of international organizations. Thus, the UK receives a score of +1

Analyst: Sonja Dobson

United States: +1

The United States has fully complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

⁴⁵⁴ Economic and Financial Council, European Council (Brussels) 6 December 2016. Date of Access: 11 January 2017. <http://www.consilium.europa.eu/en/meetings/ecofin/2016/12/06/>.

⁴⁵⁵ UK reforms corporation tax loss relief rules, EY 12 December 2016. Date of Access: 11 January 2017.

<http://www.ey.com/gl/en/services/tax/international-tax/alert--uk-reforms-corporation-tax-loss-relief-rules>.

⁴⁵⁶ HMRC anti-money laundering supervision goes online, HM Revenue and Customs 12 December 2016. Date of Access: 12 January 2017. <https://www.gov.uk/government/news/hmrc-anti-money-laundering-supervision-goes-online>.

⁴⁵⁷ OECD releases additional guidance on Action 4 of the BEPS Action Plan to curb international tax avoidance, Organization for the Economic Cooperation and Development 22 December 2016. Date of Access: 12 January 2017. <http://www.oecd.org/tax/oecd-releases-additional-guidance-on-action-4-of-the-beps-action-plan-to-curb-international-tax-avoidance.htm>.

⁴⁵⁸ UK - Uruguay Double Taxation Convention now in force, Foreign and Commonwealth Office 12 January 2017. Date of Access: 12 January 2017. <https://www.gov.uk/government/news/uk-uruguay-double-taxation-convention-now-in-force>.

⁴⁵⁹ New Year brings in new penalties for enablers of offshore tax evasion, HM Treasury 1 January 2017. Date of Access: 12 January 2017. <https://www.gov.uk/government/news/new-year-brings-in-new-penalties-for-enablers-of-offshore-tax-evasion>.

On 22 September 2016, United States Representative Mark Pocan introduced the Corporate Transparency and Accountability Act. This legislation seeks mandatory disclosure of country-by-country and bottom line information about companies' taxes in order to increase transparency for investors and the public and to increase awareness of tax avoidance and profit-shifting activities.⁴⁶⁰

On 26 September 2016, the Minister of the Economy Alfonso Prat-Gay met with United States Treasury Secretary Jack Lew in Buenos Aires regarding cooperation on exchanging fiscal data to fight tax evasion and doubling joint efforts to fight against money laundering.⁴⁶¹ US Treasury Secretary Jack Lew announced that the US and Argentina will begin negotiations on a tax treaty on the exchange of information.⁴⁶²

On 6-8 October 2016, the United States hosted the 2016 Annual Meetings of the International Monetary Fund and World Bank Group in Washington, D.C. During the meeting of the G20 Finance Ministers and Central Bank Governors, the Secretary-General of the Organisation for Economic Co-operation and Development (OECD) Angel Gurría, delivered remarks regarding international co-operation on tax matters.⁴⁶³ He addressed issues pertaining to tax transparency, the Base Erosion and Profit Shifting (BEPS) project, and the formulation of tax policy to support structural reforms and to enhance certainty.⁴⁶⁴

On 8 October 2016, the United States hosted the Millennium Challenge Corporation-OECD event "Joining Forces to Catalyse Investments in the Developing World" in Washington, D.C. Leaders identified five areas for reform, made 83 recommendations, and outlined 370 actions to help transform Côte d'Ivoire into an emerging economy by 2020. During the event, leaders identified "modernising the tax system by broadening and simplifying the tax base and streamlining tax administration to strengthen the level and management of public finances" as one of the priorities of the project.⁴⁶⁵

On 14 October 2016, the United States Internal Revenue Service announced that American taxpayers seeking unilateral advance pricing agreements with Mexico for maquiladora operations will

⁴⁶⁰ Rep. Pocan Introduces Bill to Strengthen Corporate Tax Disclosure and Transparency, Office of United States Representative Mark Pocan (Washington, DC) 22 September 2016. Date of Access: 25 November 2016. <https://pocan.house.gov/media-center/press-releases/rep-pocan-introduces-bill-to-strengthen-corporate-tax-disclosure-and>

⁴⁶¹ Argentina and the United States accelerate the process of sharing fiscal data to fight against tax evasion, Ministry of Treasury and Public Finances (Buenos Aires) 26 September 2016. Date of Access: 13 November 2016. <http://www.economia.gov.ar/en/argentina-and-the-united-states-accelerate-the-process-of-sharing-fiscal-data-to-fight-against-tax-evasion/>

⁴⁶² Report on recent US international tax developments – 30 September 2016, Ernst & Young Tax Insights. 5 October 2016. Date of Access: 11 November 2016. <http://taxinsights.ey.com/archive/archive-news/report-on-recent-us-international-tax-developments-30-september-2016.aspx>

⁴⁶³ Mr. Angel Gurría, Secretary-General of the OECD, in Washington from 6 to 8 October 2016, OECD (Paris) 8 October 2016. Date of Access: 24 November 2016. <http://www.oecd.org/unitedstates/oecd-secretary-general-in-washington-from-6-to-8-october-2016.htm>.

⁴⁶⁴ October 2016 G20 Finance Ministers and Central Bank Governors Meeting: Remarks on Taxation, OECD (Paris) 6 October 2016. Date of Access: 24 November 2016. <http://www.oecd.org/g20/topics/taxation/october-2016-g20-finance-ministers-and-central-bank-governors-meeting-remarks-on-taxation.htm>.

⁴⁶⁵ Remarks at Millennium Challenge Corporation-OECD event: Joining Forces to Catalyse Investments in the Developing World, OECD (Paris) 8 October 2016. Date of Access: 24 November 2016. <http://www.oecd.org/development/joining-forces-to-catalyse-investments-in-the-developing-world.htm>.

not be subject to double taxation as long as intercompany pricing complies with the framework previously established by American and Mexican authorities.⁴⁶⁶

On 24-25 November 2016, the BEPS Project ad hoc Group, of which the United States is a member, adopted a multilateral instrument that will allow countries to easily amend their tax treaties to implement tax treaty-related BEPS recommendations.⁴⁶⁷

The United States has supported efforts to strengthen developing economies' engagement in the international tax agenda as a member of an international organization and has taken actions to address common issues and interests. Thus, the United States receives a score of +1.

Analyst: Yuliya Gorelkina

European Union: +1

The European Union has fully complied with its commitment to help strengthen developing economies' engagement in the international tax agenda.

On 11 October 2016, the Council of the EU issued a press release setting out the Council's conclusions on Tax Transparency. It outlined the intention of the Commission to explore possibilities for Mandatory Disclosure Rules which was inspired by Action 12 of the Organization for the Economic Cooperation and Development (OECD) Base Erosion and Profit Shifting (BEPS) project.⁴⁶⁸

On 13 October 2016, the European Court of Auditors gave the EU annual accounts of a clean bill of health for the 9th year in a row.⁴⁶⁹

On 25 October 2016, the European Commission announced plans to refurbish the way in which companies are taxed in the Single Market, creating a growth-friendly and fair corporate tax system. This plan is part of a broader package of corporate tax reforms, the Common Consolidated Corporate Tax Base (CCCTB), a plan first created in 2011 as a tool against tax avoidance. Commissioner for Economic and Financial Affairs Taxation and Customs Pierre Moscovici, said: "With the rebooted CCCTB proposal, we're addressing the concerns of both businesses and citizens in one fell swoop. The many conversations I've had as Taxation Commissioner have made it crystal-clear to me that companies need simpler tax rules within the EU. At the same time, we need to drive forward our fight against tax avoidance, which is delivering real change."⁴⁷⁰

On 25 October 2016, the European Commission announced a new package of corporate tax reforms. This package includes; a two stage proposal towards a Common Consolidated Corporate Tax Base; a Directive on Double Taxation Dispute Resolution MEchanism in the EU; and amendments to the Anti-Tax Avoidance Directive agreed in June 2016, as regards hybrid mismatches with third

⁴⁶⁶ US taxpayers seeking unilateral APAs with Mexico for maquiladoras will not be subject to double taxation as long as certain requirements are met, EY 20 October 2016. Date of Access: 24 November 2016.

<http://www.ey.com/gl/en/services/tax/international-tax/alert--us-taxpayers-seeking-unilateral-apas-with-mexico-for-maquiladoras-will-not-be-subject-to-double-taxation-as-long-as-certain-requirements-are-met>.

⁴⁶⁷ Multilateral Instrument for BEPS Tax Treaty Measures: The Ad hoc Group, OECD (Paris) 24 November 2016. Date of Access: 26 November 2016. <http://www.oecd.org/tax/treaties/multilateral-instrument-for-beps-tax-treaty-measures-the-ad-hoc-group.htm>.

⁴⁶⁸ The Latest on BEPS - 24 October 2016, EY 24 October 2016. Date of Access: 13 November 2016. <http://www.ey.com/gl/en/services/tax/international-tax/alert--the-latest-on-beps---24-october-2016>.

⁴⁶⁹ European Court of Auditors signs off the EU accounts for 9th year in a row, European Commission (Brussels) 13 October 2016. Date of Access: 11 November 2016. http://europa.eu/rapid/press-release_IP-16-3343_en.htm.

⁴⁷⁰ Commission proposes major corporate tax reform for the EU, European Commission (Strasbourg) 25 October 2016. Date of Access: 13 November 2016. http://europa.eu/rapid/press-release_IP-16-3471_en.htm.

countries. It is proposed that Member States should transpose these proposals by 31 December 2018 at the latest, and that it shall apply from 1 January 2019. These rules are modelled on the rules contained in the (OECD) Action Plan on Base Erosion and Profit Shifting (BEPS) report.⁴⁷¹

On 8 November 2016, the Economic and Financial Affairs Council of the EU agreed on the criteria and the process for the establishment of an EU list of non-cooperative jurisdictions that do not respect the tax good governance standards. This is a goal of the External Strategy for Effective Taxation as part of the Anti-Tax Avoidance Package introduced in January 2016.⁴⁷²

On 10 November 2016, the European Commission launched a public consultation to gather feedback on the way forward for EU action on advisers and intermediaries who facilitate tax evasion and tax avoidance. This reflects the goal of the Commission to shed more light on the activities of tax advisers laid out in the Communication on Further Measures to Enhance Transparency and Fight Against Tax Evasion and Avoidance. This is apart of the Commission's interest in gathering views on how a mandatory disclosure scheme for tax advisers could be implemented, which reflects the goals of the OECD's non-binding guidelines (BEPS Action 12) for the disclosure of aggressive tax planning strategies.⁴⁷³

On 6 December 2016, the European Council agreed to a draft directive aimed at closing down 'hybrid mismatches' with the tax systems of third countries. The issue agreed upon will prevent corporate tax payed from exploiting disparities between tax jurisdictions and allow tax authorities to access information held by authorities responsible for the prevention of money laundering.⁴⁷⁴

On 3 January 2017, the European Commission welcomed the entry into force of new rules to ensure that Member States have all the information they need on tax rulings given to multinational companies in other EU countries. As of 1 January 2017, Member States are obliged to automatically exchange information on all new cross-border tax rulings that they issue.⁴⁷⁵

The European Union has supported the efforts to strengthen developing economies' engagement in the international tax agenda through national actions that address common issues and common concerns and as stakeholders or members of international organizations. Thus, the European Union receives a score of +1.

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⁴⁷¹ The Latest on BEPS - 7 November 2016, EY 7 November 2016. Date of Access: 13 November 2016. <http://www.ey.com/gl/en/services/tax/international-tax/alert--the-latest-on-beps---7-november-2016>.

⁴⁷² European Council agrees on criteria for screening of third country jurisdictions, EY 10 November 2016. Date of Access: 13 November 2016. <http://www.ey.com/gl/en/services/tax/international-tax/alert--european-council-agrees-on-criteria-for-screening-of-third-country-jurisdictions>.

⁴⁷³ Commission gathers views on future rules to deter promoters of aggressive tax planning scheme, European Commission (Brussels) 10 November 2016. Date of Access: 13 November 2016. http://europa.eu/rapid/press-release_IP-16-3618_en.htm.

⁴⁷⁴ Economic and Financial Council, European Council (Brussels) 6 December 2016. Date of Access: 11 January 2017. <http://www.consilium.europa.eu/en/meetings/ecofin/2016/12/06/>.

⁴⁷⁵ Commission welcomes entry into force of new transparency rules for tax rulings, European Commission (Brussels) 3 January 2017. Date of Access: 12 January 2017. http://europa.eu/rapid/press-release_IP-16-4494_en.htm.