

## Report on recent US international tax developments - 29 January 2021

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United States (US) Treasury Secretary Janet Yellen was sworn into office on 26 January, the day after the Senate approved her nomination to be the first woman to hold the post. The following day, Secretary Yellen spoke with her UK and German counterparts, saying she was "committed to active U.S. participation in the ongoing OECD discussions on international taxation to forge a timely international accord," according to a readout of the call. A Treasury statement released after one of the calls reiterated the message that Secretary Yellen plans to "re-engage actively in the ongoing OECD discussions on international taxation."

Pascal Saint-Amans, Director of the Organisation for Economic Co-operation and Development (OECD) Centre for Tax Policy and Administration noted Yellen's Senate Finance Committee confirmation hearing testimony last week, saying the US appears to have a "strong appetite" for the OECD Base Erosion and Profit Shifting (BEPS) 2.0 Pillar Two proposals regarding a minimum tax. During a keynote speech at the New York State Bar Association's virtual tax conference this week, Saint-Amans said: "What we can anticipate is a much more constructive approach" from the new Biden administration with respect to the BEPS 2.0 negotiations. In regard to last year's US proposal to implement Pillar One as a safe harbor, Saint-Amans said "I don't see it has any chance to prosper anytime soon."

The OECD on 21 January 2021 released updated [guidance](#) addressing the impact of the COVID-19 pandemic on tax treaty-related issues. The latest guidance revisits guidance published in April 2020 and represents the OECD Secretariat's views on the interpretation of the provisions of tax treaties (i.e., each jurisdiction may adopt its own guidance to provide tax certainty to taxpayers). However, the guidance reflects the general approach of jurisdictions and illustrates how some jurisdictions have addressed the

impact of COVID-19 on the tax situations of individuals and employers. The guidance addresses permanent establishments, the residence status of companies (based on place of effective management) and individuals, and the treatment of employment income. See EY Global Tax Alert, [OECD Secretariat issues updated guidance on tax treaties and the impact of COVID-19 pandemic](#), dated 27 January 2021 for details.

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