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Global Tax Alert

The Latest on BEPS – 22 October 2018

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OECD

On 19 October 2018, the OECD and the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development published the final version of three practice notes to help developing countries address profit shifting from their mining sectors via excessive interest deductions, undervaluation of mineral exports and tax incentives. The practice notes complement the Platform for Collaboration on Tax work to produce toolkits on priority tax issues facing developing countries. Interested parties were invited to provide comments on preliminary versions of these practice notes and the comments are now available at the OECD website. Seven additional practice notes on other causes of revenue loss in the mining sector are forthcoming (namely, abusive transfer pricing, tax stabilization, international tax treaties, offshore indirect transfers of mining assets, metals streaming, abusive hedging arrangements, and inadequate ring-fencing).

On 18 October 2018, the OECD updated the list of signatories of the Multilateral Competent Authority Agreement on the exchange of Country-by-Country (CbC) reports (CbC MCAA). According to this latest update, Andorra and San Marino signed the CbC MCAA on 18 October 2018 and on 10 October 2018 respectively. The total number of jurisdictions that have joined the CbC MCAA is now 74.

On 16 October 2018, the OECD conducted its tenth Tax Talk wherein the experts from the Centre for Tax Policy and Administration discussed various updates on the OECD's international tax work. The webcast agenda included: (i) an update on the work on the ways to address the tax challenges of digitalization; (ii) the status of the BEPS implementation; and (iii) the progress on tax transparency.

Building a better working world

On 8 October 2018, the Dominican Republic became the 119th member to join the BEPS Inclusive Framework. As a new BEPS member, the Dominican Republic committed to comply with the BEPS minimum standards, which are contained in Action 5 (countering harmful tax practices), Action 6 (preventing treaty abuse), Action 13 (transfer pricing documentation) and Action 14 (enhancing dispute resolution). The Dominican Republic will also participate on an equal footing with the members of the Inclusive Framework on the remaining standard setting, as well as the review and monitoring of the implementation of the BEPS package.

See EY Global Tax Alert, *Dominican Republic joins the Inclusive Framework on BEPS*, dated 10 October 2018.

European Union

On 8 October 2018, the European Council Legal Service issued an opinion on the European Commission's Digital Services Tax (DST). The DST proposal was presented as an interim measure based on article 113 of the Treaty on the Functioning of the European Union (TFEU), which covers the harmonization of indirect taxes. Under article 113, there are three categories of taxes that can be harmonized among European Union (EU) Member States: turnover taxes, excise duties, and other forms of indirect taxation. According to the opinion, the DST does not fit the definition of any of these three categories, and thus the appropriate legal basis for the DST should be article 115 of the TFEU, which provides the legal basis for the adoption of general directives that have a direct effect on the establishment or functioning of the EU internal market. However, the opinion does not address whether the DST falls within the scope of tax treaties that Member States have concluded. The opinion also analyzes the principle of proportionality and it concluded that the DST proposal is compatible with that principle. It is worth noting that although the assessment made by the Council's legal service is not binding, the opinion adds to growing concerns about the DST's technicalities. On the other hand, since procedural requirements to adopt the directive are identical under Art. 113 and Art. 115, the exchange of the legal basis, if needed, would be just a formality.

United Nations

On 16-19 October 2018, the Seventeenth session of the United Nations (UN) Committee of Experts on International Cooperation in Tax took place in Geneva, Switzerland. During the session, the following was discussed, among others: (i) the report of the Subcommittee on updating the UN Model Double Taxation Convention between developed and developing countries; (ii) the update of the UN practical manual on transfer pricing for developing countries; (iii) the treatment of collective investment vehicles; (iv) dispute avoidance and resolution; and (v) tax consequences of the digital economy. In the context of this latter item, the Subcommittee on Tax Challenges related to the Digitalisation of the Economy (SubCo TCRDE) prepared a paper to discuss during the session. The paper describes recent developments relating to the digitalization of the economy at the OECD and EU level. The paper highlights that the background and objective for the proposed and introduced measures at the OECD and EU level may differ from the objective of the UN Committee. The SubCo TCRDE could evaluate those measures on their merits for governments and tax administrations in developing countries. This work should start with a clear description of the problems developing countries encounter with the taxation of digital services and with the digitalization of the economy in general. To help with this description, the SubCo TCRDE prepared a questionnaire for the UN Committee members which is included as Annex 1 of the paper.

Furthermore, during the session the following papers were also discussed: (i) update of the UN model double taxation convention between developed and developing countries; (ii) international tax evasion and avoidance schemes, including the use of shell companies; (iii) taxation of development projects; (iv) treatment of collective investment vehicles; (v) taxation of software payments as royalties; (vi) environmental tax issues; (vii) dispute avoidance and resolution; (viii) revision of the handbook for selected issues for taxation of the extractive industries by developing countries; (ix) the role of taxation and domestic resource mobilization in the implementation of the sustainable development goals; and (x) revision of the manual for the negotiation of bilateral tax treaties between developed and developing countries.

Andorra

On 18 October 2018, Andorra signed the CbC MCAA. The total number of jurisdictions that have joined the CbC MCAA is now 74.

Australia

The *Treasury Laws Amendment (Tax Integrity and Other Measures) Bill 2018* was passed by the Australian Senate on 20 September 2018 and received Royal Assent on 3 October 2018. This Bill contains three previously announced tax measures, including toughening of the multinational anti-avoidance law (MAAL) in relation to artificial arrangements using trusts and partnerships. For further information, see The Latest on BEPS, dated 9 April 2018.

Belgium

On 12 October 2018, the Belgian Federal Council of Ministers approved a draft law on the ratification of the *Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS* (MLI). At the time of signing, Belgium submitted a list of 98 Covered Tax Agreements (CTAs) as well as a provisional list of Reservations and Notifications with respect to the various provisions of the MLI. The draft will now be referred to the Council of State for review, before being submitted to the Federal Parliament for further approval. Further legislative action will be required in order to obtain approval by all five Regional and Community Parliaments as well as the Federal Parliament in order to ratify the MLI. In this context, the Flemish Government already published a draft decree on the ratification of the MLI earlier in September 2018, which provided further insights on the final MLI positions that will likely be adopted by Belgium upon deposit of its instrument of ratification. This would include withdrawing of Belgium's reservation on Article 12 of the MLI, which tackles artificial avoidance of permanent establishment (PE) status through commissionaire arrangements. Until the final MLI positions of Belgium have been provided upon the deposit of the instrument of ratification, any further amendments need to be monitored during the legislative proceedings.

Bulgaria

On 10 October 2018, the Bulgarian Council of Ministers approved the draft bill issued by the Minister of Finance on 30 August 2018. The bill provides for several amendments to the Corporate Income Tax regime and contains measures for the implementation of the EU Anti-tax Avoidance Directive (ATAD). The draft bill has been submitted for further review and approval by the National Assembly. For more details on the measures included in the bill, see the Latest on BEPS, dated 10 September 2018.

As of 1 January 2019 the interest limitation rule under the ATAD will be introduced in the Bulgarian legislation. The so called EBITDA rule (earnings before interest, taxes, depreciation and amortization) will apply for net borrowing costs exceeding €3m per year and limit their deduction at 30% of the taxable EBITDA. The borrowing costs would include interest on all types of debt arrangements irrespective of the creditor status, as well as interest-related expenditure items such as depreciation of the borrowing cost capitalized in real estate, currency losses, guarantee fees, etc. All other taxpayers that are below the threshold will adhere to a modified version of the existing thin capitalization regime which restricts tax deduction of interest expense to 75% of the book EBIT. Taxpayers that are both thinly capitalized and have net borrowing costs of more than €3m would have to apply both tests and limit their deduction to the outcome which is more restrictive. The non-deducted interest under both regimes can be carried forward indefinitely. The new rules are expected to bring higher planning complexity and potentially increased tax cost to capital intensive projects of larger scale. The unlimited carrying forward of interest captured by the existing thin capitalization rules may likely encourage loss making taxpayers to revisit their capital structure going forward.

The draft bill also introduces the controlled foreign company (CFC) rules aiming to deter accumulation of profits shifted to jurisdictions with low effective tax rates while having no substantial business activities. Bulgaria has chosen the first option under Art. 7, para 2 of the ATAD. Therefore, there is no explicit list of transactions that fall within the scope. A CFC is defined as any nonresident enterprise or PE whose profits are not subject to tax or are exempt from tax in Bulgaria, and for which the following conditions are fulfilled: (i) a Bulgarian taxable person alone or together with related parties holds more than 50% of shares, profits or voting rights; and (ii) the effectively paid corporate income tax is less than half of the corporate tax payable of such profits, if realized in Bulgaria. CFCs carrying out substantial economic activity, supported by staff, equipment, assets and premises are not in scope of the proposed rules.

Denmark

On 3 October 2018, the Danish Minister of Taxation published a bill which aims to implement the EU ATAD into Danish law. The bill provides for the following measures to be applicable from income years starting 1 January 2019 and thereafter: (i) Replacement of the current EBIT interest limitation rule with an EBITDA rule in accordance with the ATAD. The bill retains the existing rules on thin capitalization and interest ceiling; (ii) Substantial changes, involving e.g., the taxation of embedded royalties, to the current CFC rules. In line with its current CFC legislation, Denmark opts to apply the passive income approach (Model A) to its CFCs; (iii) The introduction of a general anti-abuse rule (GAAR) in accordance with Article 6 of the ATAD, which will apply to both resident and nonresident companies as of 1 January 2020 or income years starting 1 January 2020 and thereafter; (iv) Amendment of the existing rules addressing hybrid mismatches and reverse hybrid companies; and (v) changes to the current Danish exit taxation regime in order to further align the regime with the ATAD. The bill is expected to pass Parliament before the end of 2018.

See EY Global Tax Alert, *Denmark publishes bill to implement EU ATAD*, dated 3 October 2018.

Egypt

On 20 September 2018, the Egyptian Tax Authority (ETA) published draft transfer pricing guidelines. The draft guidelines provide taxpayers with guidance on the application of the arm's-length principle in pricing their controlled transactions and discuss the documentation that taxpayers are required to develop in order to demonstrate their compliance with such a principle to the ETA. According to the text of the draft guidelines, the ETA used the OECD Transfer Pricing Guidelines as a basic reference in preparing the draft guidelines, and hence the OECD Transfer Pricing Guidelines 2017 should be consulted for a more detailed discussion of the principles contained therein.

In the context of BEPS Action 13, the draft guidelines follow the three-tiered transfer pricing documentation approach. According to the draft guidelines, an Egyptian ultimate parent entity (UPE) of an MNE group with annual consolidated group revenue equal to or exceeding EGP3 billion will need to prepare a CbC report. For UPEs nonresident for tax purposes in Egypt, the group revenue threshold of €750m will apply. The due date for the submission of the CbC report will be by the end of the reporting fiscal year. However, for the first time the deadline will be within 12 months after the end of the reporting fiscal year. Additionally, the ETA will also require the submission of a Master file and Local file. The Master file should be made available to the ETA by the UPE's tax return filling date. The Local file is required to be filed two months after the date of filing the corporate tax return. Also, the second part of the draft guidelines provides guidance on the process and application of advance pricing agreements (APAs) by describing the mechanisms, procedures, and implementation of the APA program in Egypt.

The draft guidelines are now under public consultation and it is expected that the ETA will publish the final guidelines in due course. The text of the draft guidelines is also available in English.

Estonia

On 26 September 2018, the Estonian Government approved a proposal, which amends Estonian tax law in view of implementing the EU ATAD. The proposal provides the following measures: (i) introduction of the interest limitation rule based on EBITDA; (ii) amendments to the exit taxation rules; (iii) additions to the existing GAAR; and (iv) amendments to the Estonian CFC rules. If adopted by the Estonian Parliament, the amendments will enter into force on 1 January 2019. In addition to the measures above, the Estonian Ministry of Finance also intends to implement hybrid mismatch rules as of 1 January 2020.

Guernsey

On 9 October 2018, the Guernsey Government published the 2019 Budget. Among many other measures, the Budget recommends Law and Regulations to introduce an economic substance test for companies. In addition, the Budget proposes a commitment to implement mandatory disclosure rules by 31 December 2019 for cross-border arrangements and opaque offshore structures. The Budget will be debated in the States meeting on 6 November 2018. Enabling legislation in respect of economic substance is expected to be in force with effect from 1 January 2019.

On 24 September 2018, Guernsey signed a Competent Authority Agreement (CAA) to exchange CbC reports with Turks and Caicos Islands. The Turks and Caicos Islands signed the CAA a few days earlier, i.e., on 19 September 2018. According to the provisions of the CAA, the Competent Authority of the Turks and Caicos Islands will annually exchange with the Competent Authority of Guernsey on an automatic basis the CbC report received from each Reporting Entity that is resident for tax purposes in the Turks and Caicos Islands, provided that, on the basis of the information provided in the CbC Report, one or more Constituent Entities of the MNE group of the Reporting Entity are resident for tax purposes in Guernsey or are subject to tax with respect to the business carried out through a PE situated in Guernsey. A CbC report is first to be exchanged with respect to fiscal years of MNE groups commencing on or after 1 January 2018. Such CbC report is to be exchanged as soon as possible and no later than 18 months after the last day of the fiscal year of the MNE group to which the CbC report relates. CbC reports with respect to subsequent fiscal years are to be exchanged as soon as possible and no later than 15 months after the last day of the fiscal year of the MNE group to which the CbC report relates.

Ireland

On 9 October 2018, the Irish Minister for Finance and Public Expenditure and Reform announced the 2019 Budget. In his Budget speech the Minister reiterated that Ireland's longstanding 12.5% rate will not change. Among others, the Minister announced that Ireland will introduce a new ATAD-compliant exit tax, effective from 10 October 2018. The exit tax will apply where a company migrates tax residence offshore of Ireland and to certain other offshore asset transfers (i.e., transfers assets from an Irish PE to a head office of another Member State or a third country or transfers a business carried on by an Irish PE to another Member State or a third country) at a rate of 12.5%. In addition, the Minister confirmed that the introduction of CFC rules, as required by the EU ATAD, will be effective for accounting periods beginning on or after 1 January, 2019. The Finance Bill which was published on 18 October 2018 includes detailed exit tax and CFC provisions.

Additionally, the Government will launch a consultations in 2019 in view of updating the domestic transfer pricing provisions and moving to a territorial regime or simplification of foreign tax credit regime.

See EY Global Tax Alert, *Ireland announces Budget 2019 - Update for US MNCs*, dated 9 October 2018.

Israel

On 13 September 2018, Israel deposited its instrument of ratification of the MLI with the OECD. Israel submitted the definitive list of 53 tax treaties that Israel would like to designate as CTAs. The MLI will enter into force for Israel on 1 January 2019. With respect to taxes withheld at source, the provisions of the MLI will have an effect on events giving rise to such taxes on or after the first day of the next taxable period that begins on or after the MLI entered into force for both parties to a CTA. With respect to other taxes, the provisions of the MLI will have an effect on taxes levied with respect to taxable periods beginning on or after 1 January of the next calendar year beginning on or after the expiration of a period of six calendar months from the date the MLI entered into force for both parties to a CTA.

See EY Global Tax Alert, *Israel deposits its instrument of ratification of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS*,dated 5 October 2018.

Japan

On 26 September 2018, Japan deposited its instrument of ratification of the MLI with the OECD and confirmed its MLI positions. Japan listed 39 income tax treaties that it would like to designate as CTAs. The MLI will enter into force on 1 January 2019 as Japan deposited its instrument of ratification on 26 September 2018. For taxes withheld at source, the provisions of the MLI will have an effect on events giving rise to such taxes on or after 1 January following the MLI entry into force for both parties to a CTA. The MLI provisions will be effective for other taxes imposed on income for periods beginning on or after the expiration of a period of six calendar months from the date the MLI entered into force for both parties to a CTA.

See EY Global Tax Alert, *Japan deposits its instrument of ratification of the BEPS Multilateral Convention,* dated 11 October 2018.

Japan-Spain

On 16 October 2018, Japan and Spain signed a new tax treaty (the New Treaty). The New Treaty contains a number of treaty-based recommendations from the BEPS project contained in Action 2 (neutralizing the effects of hybrid mismatch arrangements), Action 6 (preventing the granting of treaty benefits inappropriate circumstances), Action 7 (preventing the artificial avoidance of permanent establishment status) and Action 14 (making dispute resolution mechanisms more effective).

The New Treaty contains new preamble language which clarifies that the tax treaty is not intended to be used to generate non-taxation or reduced taxation through tax evasion or avoidance. It also contains a provision dealing with fiscally transparent entities. In cases where a person other than an individual is resident in both Japan and Spain (i.e., a dual resident entity), both competent authorities shall endeavor to determine by mutual agreement the Contracting State of which the person shall be deemed to be a resident. The New Treaty has a Limitation on Benefits clause and a Principal Purpose Test. In the PE clause, the New Treaty contains an anti-fragmentation rule and the new definition of agency PE. Furthermore, the New Treaty adds that for any unresolved issued under the Treaty, the Mutual Agreement Procedure provision be submitted to arbitration if the person so requests.

Both Japan and Spain have signed the MLI and neither of them has included this tax treaty as a CTA. Therefore, it may be expected that the New Treaty will not be further modified by the MLI, particularly given that the New Treaty already incorporates the treaty-related BEPS minimum standards.

Lithuania

On 28 September 2018, the Ministry of Finance of the Republic of Lithuania issued a proposal for the implementation of the EU ATAD. The proposal provides for the following measures: (i) amendments to the CFC regime; (ii) introduction of an interest limitation rule based on EBITDA alongside the existing thin capitalization rules; and (iii) introduction of the GAAR (in addition to previously implemented substance over form principle). If adopted by Parliament, the amendments will enter into force and apply to tax years starting on or after 1 January 2019.

Luxembourg

On 5 October 2018, the Luxembourg tax authorities published an updated list of frequently asked questions (FAQ) on CbC reporting. The update follows the OECD release of additional guidance to give greater certainty to tax administrations and MNE groups on the implementation and operation Action 13 of the BEPS Action Plan. The updates to the FAQ mainly address the following items: (i) treatment of dividends; and (ii) the approach to be applied in case of mergers, demergers and acquisitions.

New Zealand

On 20 September 2018, following a public consultation process, the Tax Working Group (a group created by the New Zealand Government to provide recommendations to improve the fairness, balance and structure of New Zealand's tax system) released their Interim Report ahead of its final recommendations due in February 2019. Among others, the Group has recommended New Zealand be prepared to implement an equalization tax on digital services if a critical mass of other countries also adopt such a tax. The tax would need to be narrowly focused on digital services that involve user-generated value in New Zealand and would be an interim measure pending OECD developments in this area.

See EY Global Tax Alert, *New Zealand Tax Working Group considers future of tax in New Zealand*, dated 9 October 2018.

Norway

On 8 October 2018, the Norwegian Government published its proposal for the 2019 Fiscal Budget. Among others, the proposal provides for an extension of the scope of the interest cap rules to comprise both internal and external interests. This extension only applies to companies that are part of a consolidated group for financial accounting purposes, or companies that can be part of such group. The Government also proposed to introduce two alternative equity escape rules for these group of companies. There are no proposed changes to the interest cap rules for related parties. The Norwegian Parliament will discuss the proposal, and subject to any potential changes, the Parliament will likely approve it in December 2018.

In addition, the Government gave a mandate to the Ministry of Finance to address how Norway should follow up the recent OECD and EU developments regarding taxation of multinational enterprises deriving income from digital business models. The Ministry expects to issue a proposal for temporary domestic measures to tax digital businesses by the fall 2019.

See EY Global Tax Alert, *Norwegian Government issues 2019 Fiscal Budget*, dated 10 October 2018.

Panama

On 20 August 2018, Panama's Minister of the Presidency proposed to the National Assembly a bill (Draft bill No. 664) that would amend the Panama Pacifico (PP) regime to comply with BEPS Action 5. The PP regime currently grants income tax benefits to companies that engage in certain activities. The bill would limit eligibility for those benefits by limiting the activities eligible for preferential tax treatment under the PP regime. Specifically, the bill would remove the following activities: (i) rendering services to individuals or legal entities located abroad; (ii) rendering high-added value services protected by intellectual or industrial property provisions; and (iii) re-invoicing of goods that do not enter the Panamanian territory. The bill also provides transition rules for specific companies.

See EY Global Tax Alert, *Panama's Minister of the Presidency proposes bill to amend the Panama Pacifico regime*, dated 10 October 2018.

Qatar

On 3 October 2018, the Cabinet of Qatar authorized the accession to the MLI in order to implement the tax-treaty related minimum standards of the BEPS package. At the time of signature, Qatar will have to submit a list of the tax treaties that Qatar would like to designate as CTAs, i.e., tax treaties to be amended through the MLI. Together with the list of CTAs, Qatar will also submit a provisional list of reservations and notifications (MLI positions) in respect of the various provisions of the MLI. The definitive MLI positions will be provided upon the deposit of its instrument of ratification, acceptance or approval of the MLI.

Spain

On 19 October 2018, the Spanish Council of Ministers announced a draft Bill which, aimed at preventing tax fraud, includes the refinement of the Spanish tax rules to align them with the EU ATAD, as well as other related measures. Although the Spanish tax rules already include most of the ATAD measures, the Government plans on introducing amendments to the current CFC and exit tax rules to align them with the Directive.

Moreover, the Council of Ministers also announced a proposal to create a Digital Services Tax (already announced in the State Budget for 2018), and a Financial Transactions Tax. The parliamentary process which will be followed to approve these two new taxes has not been disclosed yet.

This is in line with the announcement of the draft Budget plan for 2019, approved by the Council of Ministers on 15 October 2018, in which a number of tax measures are included. This document has been sent to the EU Authorities for their review for budgetary purposes.

See EY Global Tax Alert, *Spanish Council of Ministers approves anti-tax evasion Bill proposal which includes implementation of ATAD and creation of Digital Services Tax and Financial Transactions Tax*, dated 19 October 2018.

Thailand

On 9 October 2018, the Thai Cabinet approved the repeal of the existing tax-incentivized regional/international headquarters regimes (i.e., Regional Operating Headquarters, International Headquarters (IHQ) and Treasury Center (TC) and International Trading Center (ITC)), and their replacement with a single International Business Center (IBC) regime. This measure is in response to the Harmful Tax Practices – 2017 Progress Report on Preferential Regimes (Inclusive Framework on BEPS: Action 5) in which Thailand's regional/international headquarters, trading and treasury hub regimes were identified as harmful tax practices. Entities which have already been granted the incentives under ROH, IHQ, TC and/or ITC regimes remain eligible for these tax incentives under the existing conditions until the specified year or their status expires, as the case may be. The existing ROH or IHQ/TC entities may also choose to convert their status into the IBC. Further details of tax incentives and conditions under the IBC regime are expected to be released shortly and remain subject to further legislative processes.

See EY Global Tax Alert, *Thailand introduces the International Business Center to replace existing incentive regimes*, dated 16 October 2018.

United Kingdom

On 12 October 2018, HM Revenue & Customs (HMRC) published the synthesized text of the 1981 United Kingdom (UK)-Serbia Double Taxation Convention, as modified by the MLI. The synthesized text reflects the agreement reached between the relevant authorities of both the UK and Serbia on how the treaty should be impacted by the MLI. The provisions of the MLI entered into force for both the UK and Serbia on 1 October 2018. The provisions of the MLI are effective from: (i) 1 January 2019 for taxes withheld at source; (ii) 1 April 2019 for Corporation Tax; (iii) 6 April 2019 in the UK for Income Tax and Capital Gains Tax; and (iv) 1 April 2019 for all other taxes levied by Serbia for the taxable period beginning on or after that date. The synthesized texts for other treaties that will be amended by the MLI as from 1 January 2019 are expected shortly.

On 11 October 2018, HMRC published the synthesized text of the 2007 UK-Slovenia Double Taxation Convention, as modified by the MLI. The synthesized text reflects the agreement reached between the relevant authorities of both the UK and Slovenia on how the treaty should be impacted by the MLI. The provisions of the MLI entered into force for the UK and Slovenia on 1 October 2018 and 1 July 2018, respectively. The provisions of the MLI are effective from: (i) 1 January 2019 for taxes withheld at source on amounts paid or credited to nonresidents; (ii) 1 April 2019 for Corporation Tax; (iii) 6 April 2019 for Income Tax and Capital Gains Tax; and (iv) 1 April 2019 for all other taxes levied by Slovenia for the taxable period beginning on or after that date. The synthesized texts for other treaties that will be amended by the MLI as from 1 January 2019 are expected shortly.

United States

On 9 October 2018, the Internal Revenue Service (IRS) added Bulgaria and Gibraltar to the list of countries with which the US is in negotiations for a CAA for the automatic exchange of CbC reports. The IRS maintains a website that includes an up-to-date listing of the jurisdictions with which the US Competent Authority has entered into CAAs and the jurisdictions that are in negotiations for a CAA. The IRS is in the process of negotiating CAAs with another five countries and is expected to update this database as other agreements are concluded.

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