



# Brexit and BEPS

What, if any, impact will Brexit have on the UK's implementation of BEPS? Although the details of Brexit are still to emerge, these are our initial reactions to Brexit and its impact on BEPS.

- BEPS is a supra-EU initiative lead by the G20 and the OECD, therefore the UK's exiting the EU should not impact the UK's implementation of BEPS.
- The EU Commission has introduced an Anti Tax Avoidance Package that includes an Anti Tax Avoidance Directive ("ATAD") that seeks to impart a consistent EU approach to many of the BEPS proposals. The deadline for the first wave of implementation for ATAD is set for 31 December 2018, with the final wave set for 31 December 2019. The UK will therefore still be a member of the EU when ATAD first comes into force. Despite Brexit, the UK may still adopt the EU approach to BEPS.
- Once Brexit happens, the UK may have more flexibility as to how it implements BEPS. Given the UK's enthusiasm for BEPS it is unlikely that this flexibility will be taken advantage of.
- Brexit may result in a diminished UK influence on future tax policy coming out of the OECD (BEPS II has been mentioned by Pascal Saint-Amans, Director of the OECD's Centre for Tax Policy and Administration) because the EU is a major force within OECD policy-making – although the UK will still retain its seat at the OECD table.



Please contact [BEPS@Debevoise.com](mailto:BEPS@Debevoise.com) to discuss further.