



# 10 Things You Should Know About BEPS

1. The BEPS Project is the brainchild of the OECD and the G20 and is a series of 15 Action Plans aimed at preventing tax avoidance caused by base erosion and profit shifting by multinationals.
2. The Action Plans designed by the OECD are wide ranging and look at:  
  
The digital economy \*\*\* hybrid entities and instruments \*\*\* taxation of controlled foreign companies \*\*\* interest deductibility \*\*\* harmful tax practices \*\*\* double tax treaty abuse \*\*\* permanent establishment status \*\*\* transfer pricing regimes \*\*\* BEPS data analysis \*\*\* international dispute resolution \*\*\* implementation.
3. The OECD consists of 34 countries but many more have signed up to the BEPS Project. There are currently over 90 countries involved in discussions regarding an overarching amendment to all bilateral double tax implementation of some BEPS Action Plans via multilateral instrument. The BEPS Project is therefore very much a global anti tax avoidance movement.
4. The BEPS Action Plans will largely need to be implemented by the participating countries, meaning that, although there may be a multinational consensus as to the general approach that needs to be taken, the actual BEPS rules may change from country to country.
5. The BEPS Project is about more than just drafting new tax rules, it's a project that aims to fundamentally change the behaviour of multinational organisations with a view to realigning taxation with economic substance and value creation.
6. The BEPS Project is not over; there are still a number of open issues, for example, how treaty entitlement will work for non-CIV funds.
7. The OECD asserts that the BEPS Project does not require participating countries to levy tax at a certain rate but rather aims to prevent countries seeking to attract investors without requiring economic substance.
8. FATCA and CRS (the Common Reporting Standard or global FATCA) are not part of the BEPS Project.

9. The EU has published its own response to BEPS in an Anti Tax Avoidance Package, including a directive that seeks to implement many of the BEPS Action Plans. This should bring some uniformity into how the 28 (27 when Brexit happens) will implement the BEPS Action Plans.

10. BEPS is here to stay, so should not be ignored.



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