On 30 June -1 July, Kyoto welcomed the inaugural meeting of the ‘inclusive framework’, a new body allowing interested countries and jurisdictions to implement Base Erosion and Profit Shifting (BEPS) measures in a harmonised manner.

Under the auspices of the OECD’s Committee on Fiscal Affairs, the event gathered representatives of more than 80 countries at various stages of development and of international organisations and regional fiscal bodies. Their work focused on the manners in which to implement the measures which came out of the OECD’s BEPS Project, and which were endorsed in November 2015 by the G20 leaders at the Antalya Summit.

Countries wishing to join the inclusive framework will have to pay an annual financial contribution which will ensure its operational management, and commit to adopt all measures proposed by the BEPS Project and to carry them through in a consistent manner.

These measures rest on 4 main standards: (i) model provisions to prevent treaty abuse; (ii) standardised country-by-country reporting; (iii) a revitalised peer review process to address harmful tax practices and (iv) an agreement to secure progress on dispute resolution.

For participating developing countries, this represents a way to directly contribute to the design of a framework of cooperation on an equal footing with other more advanced economies, and this to ensure they benefit from a technical assistance adapted to their specific needs. In a context where the impact of BEPS is felt more acutely in those countries because of significant losses in revenue from corporate income tax, this consultative approach encourages LICs to get more closely involved in developing solutions to tackle the shortcomings of international taxation rules.

- BEPS technical note

- Background brief

- List of member countries