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OECD's Country-By-Country Reporting Exchange Activated

INTERNATIONAL, TAX

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This spring, the Organization for Economic Cooperation and Development (OECD) took another step toward implementation of global Country-by-Country (CbC) financial reporting. Article 13 of the OECD's Base Erosion Profit Shifting (BEPS) project focuses on the ability of tax authorities to share the local financial information of international businesses with revenues over \$750 million Euros (around \$835 million USD). The goal is for more transparency in business dealings and to curtail attempts to aggressively shift taxable profits to countries with lower rates, thus avoiding higher taxes. With CbC reporting to begin in 2018, more than 30 tax jurisdictions have already signed the Multilateral Competent Authority Agreement (MCAA), with more to follow.

While the U.S. has yet to sign on to the exchange, it does have information-sharing agreements in place with a large number of countries. In addition, last year regulations were issued concerning a U.S. version of CbC reporting (TD 9773) with a new tax form 8975 to be required for businesses with revenues over \$850 million USD. Has your tax department taken steps to understand the applicable rules and forms?

A more in-depth review of Action 13 can be found in our summer/fall 2016 issue of *On Point* magazine.

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