

## BEPS project and its global reflections

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BEPS (“Base Erosion and Profit Shifting”) project is initiated by the collaboration of G20 and OECD in order to cope with the issues arising from the harmful tax practices.

<b>Action 1</b>	<b>Addressing the tax challenges of the digital economy</b>
<b>Action 2</b>	Neutralise the effects of hybrid mismatch arrangements
<b>Action 3</b>	Strengthen controlled foreign companies rules
<b>Action 4</b>	Limit base erosion via interest deductions and other financial payments
<b>Action 5</b>	Counter harmful tax practices more effectively, taking into account transparency and substance
<b>Action 6</b>	Prevent treaty abuse
<b>Action 7</b>	Prevent the artificial avoidance of permanent establishment status
<b>Action 8</b>	Aligning transfer pricing outcomes with value creation: Intangibles
<b>Action 9</b>	Aligning transfer pricing outcomes with value creation: Risks & Capital
<b>Action 10</b>	Aligning transfer pricing outcomes with value creation: High-risk transactions
<b>Action 11</b>	Establish methodologies to collect and analyse data on BEPS and the actions to address it
<b>Action 12</b>	Require taxpayers to disclose their aggressive tax planning arrangements
<b>Action 13</b>	Re-examine transfer pricing documentation
<b>Action 14</b>	Make dispute resolution mechanisms more effective
<b>Action 15</b>	Develop a multilateral instrument

Figure 1: BEPS actions

In spite of the advisory character for the OECD and G20 countries, the BEPS initiative has been observed to have significant effect on the adoption of the BEPS actions in domestic laws of the world countries, particularly OECD and G20 countries, in line with the developments during initiation process of BEPS.

When the BEPS actions are analyzed it is observed that the conversion to UN Model which gives the right of taxation to residence country from OECD model which gives the right of taxation to source country will be realized in the direction of the transparency, sustainability and substance/principal purpose.

In this respect, the latest worldwide BEPS developments in the tax environment will be mentioned by giving examples from big economies in a post-BEPS world.

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