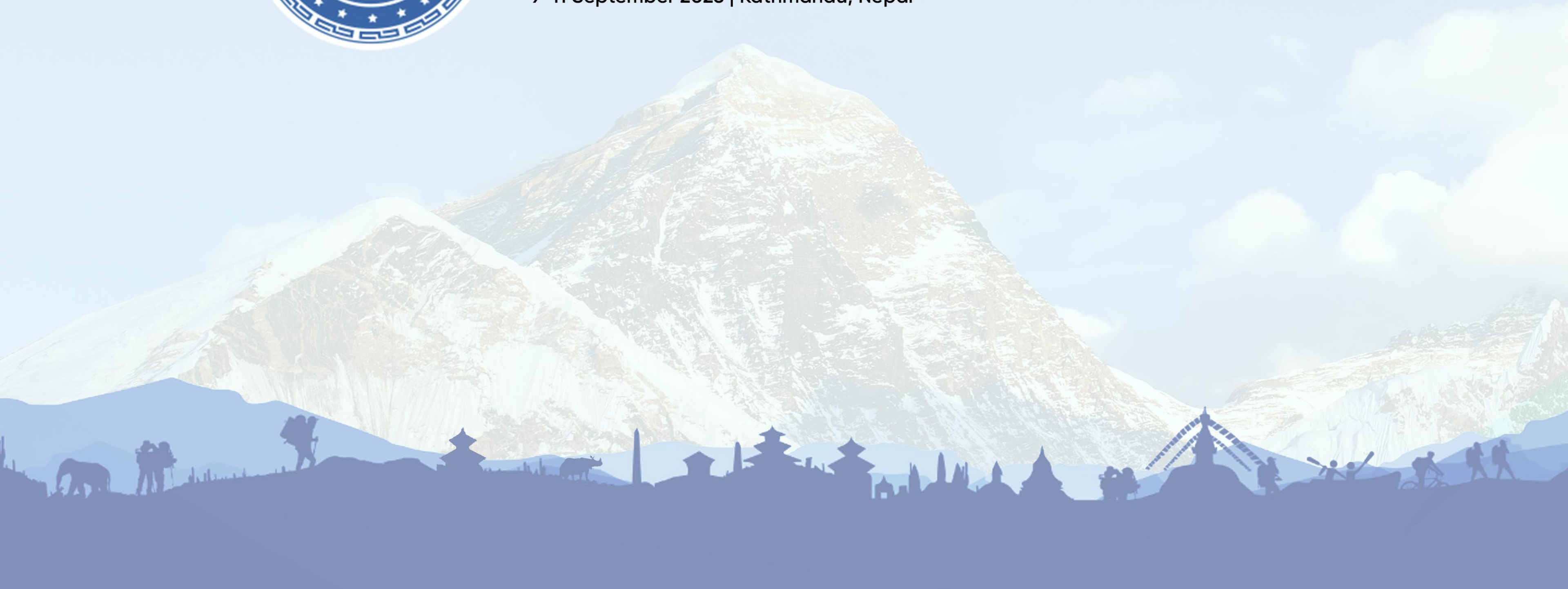




The 6th BRITACOF

Shared Progress in Taxpayer Service for a Better Business Environment

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Improving the Tax Environment – Tax Rulings and APAs

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Advantages of Tax Certainty Measures

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1

Advantages of Tax Certainty Measures

Advantages of Tax Certainty Measures

- Tax Administration
 - Tax compliance of companies is improved.
 - Disputes about interpretation of tax rules are reduced, saving time and costs.
 - Revenue collection cash flow improves.
- Taxpayer
 - Certainty of tax treatment increases taxpayer and investor confidence in the tax system
 - Clear understanding of tax rule changes
 - Certainty in the application of tax rules to transactions
 - Cooperative dialogue with tax authorities through the compliance process
 - Time and costs spent on audits and disputes are saved.

2

Advance Tax Rulings

Advance Tax Rulings

Important Features

- Effective process for Rulings
- Binding Effect
- As close to real time as possible
- Rulings published in anonymised format
- Appeals mechanism

3

Advance Pricing Agreements

Advance Pricing Agreements

APA – Advantages

Complexities of transfer pricing:

Transfer pricing is complex. There can be significant uncertainties around methodology and its application.

Efficient compliance:

An APA enables the taxpayer to prepare tax filings acceptable to the tax authority, reducing time and costs spent on audits for all parties.

Dispute Prevention:

Transfer pricing disputes are often referred to the Mutual Agreement procedure between countries. These procedures require considerable resources from both taxpayers and competent authorities and tend to be lengthy processes. These disputes can be avoided via APAs.

4

Future Developments



Future Developments

Changes in international tax landscape

- Many initiatives to change key features of the taxation of cross-border transactions and investment.

Need for certainty measures

- Interpretation of new rules needs to be clarified domestically via rulings.
- Differences between national interpretations need to be resolved via a Mutual Agreement process.

Thank you

