

A decorative graphic consisting of several overlapping squares in shades of red, orange, and yellow, arranged in a stepped pattern that descends from right to left.

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PwC RESPONSE TO OECD BEPS RECOMMENDATIONS

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Singapore, 16 September 2014 -- The OECD today set out final recommendations from the first half of its tax reform programme to tackle Base Erosion and Profit Shifting (BEPS).

[Chris Woo](#), Tax Leader Designate, PwC Singapore, said:

“The BEPS project marks the most significant change to international tax in

modern times. Today's announcements will have a big impact on global companies, whether through greater compliance demands or impacting how they are structured.

“Despite many expecting the OECD's proposals to be watered down to achieve consensus, the first part of the OECD's ambitious package has been delivered on time and intact. The scale and scope of change surpasses what many people had anticipated at the outset.

“The impact on businesses will depend partly on how the rules are implemented by tax authorities across the world. If tax authorities take an iron fist there's a risk standard trading structures could be affected, regardless of whether there's any tax avoidance motive. More disputes between businesses and tax authorities are inevitable as the rules get amended, particularly where tax authorities previously blessed the arrangements in question. The OECD's work to improve dispute resolution will be a crucial next phase of the BEPS project to ensure a smooth transition.”

[Alan Ross](#) , Tax Leader, PwC Singapore, said:

“The recommendations on country by country reporting won't come as surprise to global companies. The big worry for businesses is that different tax authorities will require different information, which could add to the administrative and cost burden for businesses. Efforts to coordinate how tax authorities respond will be challenging but crucial.

“While the importance of today's milestone should not be underestimated, the next part of the BEPS project is likely to be more controversial, with different tax authorities likely to have different views on what's acceptable and what's not. Equally important is continued commitment from governments, tax authorities and businesses, whose combined efforts can help rebuild trust in the tax system in a way that supports global trade and economic growth.”

-ENDS-

Notes to editors:

1. The OECD's two year BEPS project began a year ago and has 15 main action points. The final recommendations for five of these areas were published today, covering the digital economy, country-by-country reporting, hybrid mismatch arrangements, treaty abuse and transfer pricing & intangibles. On a further two actions - harmful tax practices and multilateral instruments - a 12 month update was published. For further information on each of these areas, please see <http://www.pwc.com/gx/en/tax/tax-policy-administration/beps/index.jhtml>

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