

Key Points of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting

1. Measures to Prevent BEPS introduced by the Convention

Measures to prevent BEPS introduced into the existing tax agreements by the Convention consist of (i) measures to prevent tax avoidance conducted through abuse of tax agreements and (ii) measures to eliminate uncertainty for taxpayers such as elimination of double taxation, which include the tax treaty related measures to prevent BEPS recommended by the final reports of the following Actions of the BEPS project.

Action 2: Neutralising the Effects of Hybrid Mismatch Arrangements

Action 6: Preventing the Granting of Treaty Benefits in Inappropriate Circumstance

Action 7: Preventing the Artificial Avoidance of Permanent Establishment Status

Action 14: Making Dispute Resolution Mechanisms More Effective

2. Tax Agreements covered by the Convention

Each of the Parties to the Convention may choose all or part of its existing tax agreements as to be covered by the Convention.

The Convention will apply only to a tax agreement all of the parties to which have chosen that tax agreement as to be covered by the Convention, and will not apply to a tax agreement either party to which is not the Party to the Convention nor has chosen that tax agreement as such.

3. Choice and Application of Measures to Prevent BEPS

Each of the Parties to the Convention may choose under specified conditions all or part of provisions of the Convention regarding the tax treaty related measures to prevent BEPS as to be applicable to their existing tax agreements.

Provisions of the Convention, in principle, will apply only to tax agreements all of the parties to which have chosen such provisions as to be applicable to their tax agreements, and will not apply to tax agreements either party to which has not chosen those provisions as such.

The provisions of the Convention chosen to be applied by a Party to the Convention, in principle, will apply to all of its tax agreements covered by the Convention, and a Party cannot choose to or not to apply such provisions only to its particular tax agreements.

The provisions of the Convention regarding the tax treaty related measures to prevent BEPS will, where applicable, apply in place of the similar provisions of the existing tax agreements or in addition to the provisions thereof in the absence of such similar provisions.

4. Notification of Choices

Each of the Parties to the Convention must notify the Depositary of the Convention (the Secretary-General of the OECD) of (i) a list of existing tax agreements to be covered by the Convention and (ii) a list of provisions of the Convention regarding the tax treaty related measures to prevent BEPS to be applicable to its tax agreements at time of either of the signature to the Convention or of the ratification, acceptance or approval of the Convention.

A Party to the Convention which does not make such notification at the time of the

signature to the Convention must submit provisional lists of them at that time.

The Depository will make public the notifications and submissions from each of the Parties to the Convention.

5. Signatories to the Convention

The jurisdictions which signed the Convention at the signing ceremony held at Paris on June 7, 2017 are the following 67 jurisdictions.

Andorra, Argentina, Armenia, Australia, Austria, Belgium, Bulgaria, Burkina Faso, Canada, Chile, China, Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Fiji, Finland, France, Gabon, Georgia, Germany, Greece, Guernsey, Hungary, Iceland, India, Indonesia, Ireland, Isle of Man, Israel, Italy, Japan, Jersey, Korea, Kuwait, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Monaco, Netherlands, New Zealand, Norway, Pakistan, Poland, Portugal, Romania, Russia, San Marino, Senegal, Serbia, Seychelles, Slovak Republic, Slovenia, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, Uruguay