Mandatory disclosure

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1. Mandatory disclosure

❑ BEPS Action 12: Mandatory disclosure is not a minimum standard. However, some (very few) countries are introducing rules to implement mandatory disclosure.

❑ EU initiative to introduce automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements in the Administrative Cooperation Directive

❑ Adopted on 25/05/2018, in force as of 25/06/2018

❑ For EU Member States: Implemented by 31/12/2019 and automatic exchange to take place as of 1/07/2020
2. Arguments

NO MANDATORY DISCLOSURE

✓ Equal level playing field
✓ Directive – Differences in implementation
✓ Privacy issues
✓ Substantive amount of reporting - Capacity of the tax administration
✓ Possible to prevent mandatory disclosure

YES MANDATORY DISCLOSURE

✓ Equal treatment
✓ Transparency
✓ To prevent certain behaviour (deterrent)
3. Proposal

What can be changed so that mandatory disclosure is efficient and effective to tackle aggressive tax planning arrangements?

Recommendations

✓ European Supervisory Board for Taxation (similar to the JITSIC- Joint International Taskforce on Shared Information & Collaboration Network).

✓ More international cooperation, thus BEPS Action 12 to be introduced as a minimum standard (political will?).
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