

Information Sheet



Base Erosion and Profit Shifting – BEPS

“*Base Erosion and Profit Shifting*” or “*BEPS*” is an OECD project which is aimed to stop strategies of tax avoidance implemented by companies on a global scale which exploits gaps and mismatches in tax rules, by relocating profits low or non-tax locations with the main aim of significantly reducing your tax liability.



- Over 100 countries/jurisdictions have collaborated on the implementation of this project.
- The aim of the project is to ensure companies pay their tax liability in the correct location as to ensure the credibility of tax systems and to assist developing countries who depend heavily on corporate tax revenue streams.
- The *BEPS* Package provides 15 actions that provide governments with a strategy to ensure that cases of BEPS are dealt with in a proper manner.
- The *BEPS* reports are not legally binding, but there is a certain expectation that the recommendations will be made legally binding by governments for the benefit of the international community.

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- Country by Country reporting is one of the recommended actions included in the *BEPS* plan. This provides a template for multinational organisations to report annually on each tax country/jurisdiction in which they operate. It is referred to as “CbC” reporting.