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BY E-MAIL

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Dear OECD Secretariat Team

Public consultation on 2020 Review of BEPS Action 14
We would like to take the opportunity of responding to this consultation to reiterate how important we consider the OECD's work to be in relation to BEPS Action 14. Cross-border tax disputes have already increased over recent years and are likely to increase even further as fundamental changes to the international tax system are made to deal with the digitisation of the economy. With increasing numbers of countries introducing unilateral digital taxes, it is very likely that significant numbers of disputes will also arise in the short term. It is therefore crucial that businesses can rely on a robust mutual agreement procedure (MAP), operated consistently by different jurisdictions to enable disputes to be resolved in a timely fashion.

We welcome the proposal to strengthen the Minimum Standard and to introduce an obligation to establish a bilateral advanced pricing agreement (APA) program. We support the proposal for suspending tax collection for the duration of the MAP process to be elevated to a minimum standard as we consider this would provide a greater incentive for tax authorities to come to an agreement on the resolution of disputes.

We think that more widespread use of mandatory binding arbitration (MBA) could help to give businesses more certainty and that this should be encouraged and the concerns of developing countries about MBA addressed.

We endorse the comments made by Business at OECD (BIAC) in their response to the consultation, which we include as an appendix to this letter.

Yours sincerely

Eloise Walker
Partner
for Pinsent Masons LLP
This letter is sent electronically and so is unsigned

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Appendix – BIAC's Response