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International Co-operation and Tax Administration Division
OECD Centre for Tax Policy and Administration
Submitted by email to: taxpublicconsultation@oecd.org

January 22, 2021

2020 Review of BEPS Action 14 on dispute resolution mechanisms – Input by economiesuisse

Dear Sir or Madam,

economiesuisse, the Swiss Business Federation represents approximately 100,000 companies from all business sectors and regions of Switzerland with a collective work force of about 2 million. We thank the OECD secretariat for the opportunity to submit additional comments on the 2020 review of the BEPS Action 14 Minimum Standard on dispute resolution mechanisms.

The OECD's statistics indicate that cross-border tax disputes have steadily increased over the last years, the same is true for mutual agreement procedure based on Swiss double taxation agreements. In the context of ongoing deliberations on tax challenges arising from the digitalisation of the economy, we expect a continued proliferation of cross-border disputes, be it due to unilateral measures or complex multilateral standards. Even if the Inclusive Framework does reach a consensus-based long-term solution, the fundamental shift away from relatively well-established profit allocation principles will lead to divergent interpretations of the newly adopted regulations and result in additional disputes. Improving dispute resolution mechanisms between jurisdictions is thus of utmost importance and the dialogue with business on their experiences and suggestions in this area more critical than ever.

To guarantee timely and effective resolution of double taxation through the mutual agreement procedure, we encourage mandatory binding arbitration to be included into the BEPS Action 14 minimum standard.

Regarding further input on the 2020 review of BEPS Action 14 economiesuisse fully supports the comments collected and provided by Business at OECD (BIAC) as well as SwissHoldings. We thank the Secretariat for taking these points into consideration in the future work to improve effectiveness of cross-border dispute resolution.

Kind regards,
economiesuisse

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