

## Republic of North Macedonia Dispute Resolution Profile

(Last updated: 23.05.2023)

### General Information

- **North Macedonia's tax treaties are available at:**

- The web page of the Public Revenue Office:

- in Macedonian language: <http://ujp.gov.mk/mk/regulativa/pregled/tr/md>

- in English language: <http://ujp.gov.mk/en/plakjanje/category/137>

- The web page of the Ministry of Finance contains the list of the tax treaties:

- <https://finance.gov.mk/%d0%be%d0%b4%d0%b1%d0%b5%d0%b3%d0%bd%d1%83%d0%b2%d0%b0%d1%9a%d0%b5-%d0%bd%d0%b0-%d0%b4%d0%b2%d0%be%d1%98%d0%bd%d0%be-%d0%be%d0%b4%d0%b0%d0%bd%d0%be%d1%87%d1%83%d0%b2%d0%b0%d1%9a%d0%b5/>

- **MAP request should be made to:**

*(Applicable for all types of MAP requests)*

Public Revenue Office

General Directorate

Blvd. Kuzman Josifovski Pitu no. 1,

1000 Skopje, Republic of North Macedonia

Tel: 00389 2 3 299 543

00389 76 445 471

e-mail: [map@ujp.gov.mk](mailto:map@ujp.gov.mk)

- **APA request should be made to:**

Republic of North Macedonia does not have an APA programme and is not authorised to enter into APAs.

## North Macedonia Dispute Resolution Profile – Preventing Disputes

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
<b>A. Preventing Disputes</b>				
1.	Are agreements reached by your competent authority to resolve difficulties or doubts arising as to the interpretation or application of your tax treaties in relation to issues of a general nature which concern, or which may concern, a category of taxpayers published?	No	-	-
2.	Are bilateral APA programmes implemented? If yes:	No	Republic of North Macedonia does not have an APA programme and is not authorised to enter into APAs.	-
a.	<ul style="list-style-type: none"> <li>Are roll-back of APAs provided for in the bilateral APA programmes?</li> </ul>	n/a	-	-
b.	<ul style="list-style-type: none"> <li>Are there specific timeline for the filing of an APA request?</li> </ul>	n/a	-	-
c.	<ul style="list-style-type: none"> <li>Are rules, guidelines and procedures on how taxpayers can access and use bilateral APAs, including the specific information and documentation that should be submitted in a taxpayer's request for bilateral APA assistance, publicly available?</li> </ul>	n/a	-	-
d.	<ul style="list-style-type: none"> <li>Are there any fees charged to taxpayers for a bilateral APA request?</li> </ul>	n/a	-	-
e.	<ul style="list-style-type: none"> <li>Are statistics relating to bilateral APAs publicly available?</li> </ul>	n/a	-	-
3.	Is training provided to your officials involved in the auditing /examination of taxpayers to ensure that any	Yes	Internal trainings for application of the specific provisions in the tax treaties and	Not specified in guidance that is publicly available.

### North Macedonia Dispute Resolution Profile – Preventing Disputes

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
	assessments made by them are in accordance with the provisions of your tax treaties?		transfer pricing rules are organized by the Public Revenue Office.	
4.	Is other information available on preventing tax treaty-related disputes?	No	-	-

**Notes:**

1. An APA is an “arrangement that determines, in advance of controlled transactions, an appropriate set of criteria (e.g. method, comparables and appropriate adjustments thereto, critical assumptions as to future events) for the determination of the transfer pricing for those transactions over a fixed period of time”. (see definition of APA in the *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations* (“Transfer Pricing Guidelines”).)

2. Situations may arise in which the issues resolved through an APA are relevant with respect to previous filed tax years not included within the original scope of the APA. The concept of “roll-back” is further elaborated in paragraph 4.136 of Section F (Advance pricing arrangement) of Chapter IV of the Transfer Pricing Guidelines and in paragraph 69 of Section D.4.2 (Possible retrospective application (“Roll back”)) of the Annex to Chapter IV (Guidelines for Conducting Advance Pricing Arrangements under the Mutual Agreement Procedure (“MAP APAs”)) of the Transfer Pricing Guidelines. Simply put, the “roll-back” of the APA is understood to mean that the outcome of the APA is applied to previous filed tax years not included within the original scope of the APA.

North Macedonia Dispute Resolution Profile – Availability and access to MAP

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
<b>B. Availability and Access to MAP</b>				
5.	Are transfer pricing cases covered within the scope of MAP?	Yes	-	-
6.	Are issues relating to the application of treaty anti-abuse provision covered within the scope of MAP?	Yes	-	-
7.	Are issues relating to the application of domestic anti-abuse provision covered within the scope of MAP?	Yes	PRO has dealt with a minimal number of MAP cases and anti-abuse cases are currently covered under the domestic law.	-
8.	Are issues where there is already an audit settlement between the tax authority and the taxpayer covered within the scope of MAP?	See detailed explanation	In the domestic legislation of North Macedonia there are no provisions for an audit settlement between the tax authorities and the taxpayers	-
9.	Are double taxation cases resulting from bona fide taxpayer initiated foreign adjustments covered within the scope of MAP?	Yes	-	-
10.	Are there any other treaty related issues not covered under s/n 5 to 9 which are not within the scope of MAP?	No	-	-
11.	Are taxpayers allowed to request MAP assistance in cases where the taxpayer has sought to resolve the issue under dispute via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	See detailed explanation	According to the provisions for mutual agreement procedure in the concluded DTCs, the request to initiate a mutual agreement procedure may be submitted independently of the remedies provided by the internal legislations of the two countries. This means that, if the person has appealed against an act or actions of the PRO or a	-

**North Macedonia Dispute Resolution Profile – Availability and access to MAP**

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
			foreign tax administration, there are no obstacles to submit a request to initiate a mutual agreement procedure.	
12.	Are taxpayers allowed to request for MAP assistance in cases where the issue under dispute has already been decided via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	See detailed explanation	Taxpayers are allowed to request MAP assistance in cases where the issue under dispute has already been decided via the administrative or judicial remedies provided for in the domestic legislation of North Macedonia. In North Macedonia, court decisions are binding on the Public Revenue Office (PRO) and after the entry into force of such a decision, the PRO cannot reach an agreement with another tax administration on taxation that is not in accordance with the decision, even though such taxation is more favourable to the taxpayer.	-
13.	Are rules, guidelines and procedures on how taxpayers can access and use MAP, including the specific information and documentation that should be submitted in a taxpayer's request for MAP assistance, publicly available?	See detailed explanation	Specific information and documentation are usually requested by PRO on a case-by-case basis.	The new MAP Guideline contains information on how taxpayers can access and use MAP, including the specific information and documentation that should be submitted in a taxpayer's request for MAP assistance. Will be publicly available as soon it is adopted by the PRO.
14.	Are there specific timeline for the filing of a MAP request?	Yes	A taxpayer must notify the competent authority within the time limits specified in the applicable tax treaty. Most of them follow Article 25, paragraph 1, second sentence of the OECD Model Tax Convention.	-

**North Macedonia Dispute Resolution Profile – Availability and access to MAP**

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
15.	Are guidance on multilateral MAPs publicly available?	No	There is no guidance on multilateral MAPs in the country.	-
16.	Are tax collection procedures suspended during the period a MAP case is pending?	See detailed explanation	Tax collection and interest charges are not suspended during a MAP.	-
17.	Are there any fees charged to taxpayers for a MAP request?	No	-	-
18.	Is there any other information available on availability and access to MAP?	No	-	-

## North Macedonia Dispute Resolution Profile – Resolution of MAP cases

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
<b>C. Resolution of MAP Cases</b>				
19.	Are there any model timeframes for the steps taken by your competent authority from the receipt of a MAP case to the resolution of the case provided to taxpayers?	See detailed explanation	When the competent authority receives a request to start a mutual agreement procedure, it verifies whether the request is admissible and the taxpayer's objections are justified. More detailed information will be included in the Guideline	-
20.	Are statistics relating to the time taken to resolve MAP cases publicly available?	Yes	Statistics for North Macedonia are available on the OECD MAP Statistics website	<a href="https://www.oecd.org/tax/dispute/mutual-agreement-procedure-statistics.htm">https://www.oecd.org/tax/dispute/mutual-agreement-procedure-statistics.htm</a>
21.	Is interest or penalties resulting from adjustments made pursuant to a MAP agreement waived or dealt with as part of the MAP procedure?	See detailed explanation	Interests or penalties are applied in accordance with the provisions of the relevant domestic legislation. However, the relief from such interests or penalties could be examined on a case-by-case basis. There is currently no public guidance on whether and to what extent interest or penalties can be dealt with as part of the MAP. No practical experience in such cases.	-
22.	Are the roles and responsibility of the MAP office publicly available, for example, is the mission statement of the MAP office available in the <i>annual</i> report of the organisation?	See detailed explanation	Information in the Annual report of the Public Revenue Office	-
23.	Is MAP arbitration a mechanism currently available for the resolution of tax treaty related disputes in any of your tax treaties? If not:	See detailed explanation	Generally, the tax treaties of North Macedonia do not contain a MAP arbitration provision.  The DTCs with Austria and the Netherlands contain such provisions.	-
a.	• Are there any legal limitations in your domestic law (for example in your	No	-	-

North Macedonia Dispute Resolution Profile – Resolution of MAP cases

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
	constitution) to include MAP arbitration in your tax treaties?			
b.	<ul style="list-style-type: none"> <li>Does your treaty policy allow you to include MAP arbitration in your tax treaties?</li> </ul>	See detailed explanation	The practice of North Macedonia is not to include MAP arbitration provisions in its DTCs, however, as an exception, the DTCs with Austria and the Netherlands contain such provisions.	-
24.	<p>Is the explanation of the relationship between the MAP and domestic law administrative and judicial remedies publicly available?</p> <p>If yes:</p>	No	This will be explained in the MAP Guidance	-
a.	<ul style="list-style-type: none"> <li>Does the guidance specifically address whether the competent authority considers that it is legally bound to follow a domestic court decision in the MAP or will not deviate from a domestic court decision as a matter of administrative policy or practice?</li> </ul>	See detailed explanation	<p>In North Macedonia, a request to initiate a mutual agreement procedure may be made irrespective of the legal remedies available under the national laws of the States, i.e. irrespective of any administrative or judicial appeal proceedings against an assessment (acc.to the DTC)</p> <p>In general, the request should be submitted to the competent authority of the State in which the taxpayer is resident for tax purposes or citizen within the meaning of the specific DTC.</p> <p>The request to initiate a mutual agreement procedure may be submitted independently of the remedies provided by the internal legislations of the two countries. The submission of a request for such a procedure does not preclude the opportunity for the person to benefit from any other legal remedies, e.g. appeal against acts and actions of the administrations, which the two States' domestic laws provide in order to ensure protection against unlawful</p>	-

North Macedonia Dispute Resolution Profile – Resolution of MAP cases

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
			<p>income taxation. This means that, if the person has appealed against an act or actions of the Macedonian or a foreign revenue administration, there are no obstacles to make a request to initiate a mutual agreement procedure, even if the appeals procedure against the act or action has ended.</p> <p>In the case of North Macedonia, the above applies only to the administrative appeal of acts and actions of the PRO.</p> <p>PRO cannot hold a different position and apply an agreement, which deviates from the Macedonian court decision that has entered into force.</p>	
25.	Are taxpayers allowed to request for multi-year resolution through the MAP of recurring issues with respect to filed tax years?	No	-	-
26.	Do all your jurisdiction's tax treaties contain a provision which would oblige your jurisdiction to make corresponding adjustments or to grant access to the MAP with respect to the economic double taxation that may otherwise result from a primary transfer pricing adjustment (i.e. is paragraph 2 of Article 9 of the OECD Model Tax Convention or the UN Model Double Taxation Convention included in all of your jurisdiction's tax treaties)?	See detailed explanation	<p>In vast majority, the Macedonian DTCs contain such provision.</p> <p>The treaties that do not have such provision, will be modified by MLI (DTC with Lithuania), Protocol (DTC with Switzerland) or by possible bilateral re-negotiations.</p> <p>Where the tax treaty contains a provision similar to Article 9 (1) of the OECD Model Tax Convention but does not contain an equivalent of Article 9 (2) of the OECD Model Tax Convention, North Macedonia may grant access to MAP.</p> <p>This interpretation is supported by the Commentary of the OECD Model Tax Convention and followed by North Macedonia.</p>	-

**North Macedonia Dispute Resolution Profile – Resolution of MAP cases**

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
27.	Is there any other information available on resolution of MAP cases?	No	-	-

## North Macedonia Dispute Resolution Profile – Implementation of MAP Agreements

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
<b>D. Implementation of MAP Agreements</b>				
28.	Where the agreement reached by your competent authority through the MAP process leads to additional tax to be paid by your taxpayer, is there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the agreement reached by the competent authority and/or for the additional tax to be paid?	No	As soon as possible. Generally, instructions on swift implementation of the MAP outcome are given in the notification notice sent to the PRO's competent organizational unit responsible for the assessment procedure.  To date, there are no cases/agreements reached.	This is not specifically mentioned in a public guidance
29.	Where the agreement reached by your competent authority through the MAP process leads to a refund of the tax due or paid by your taxpayer, are there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the agreement reached by the competent authority and/or for a refund of the tax paid?	No	The provisions of the domestic Law on tax procedure apply.	This is not specifically mentioned in a public guidance
30.	Are all mutual agreements reached through MAP implemented notwithstanding any time limits in your domestic law?	No	The agreements reached will have effect in North Macedonia irrespective of the limitation periods set by our internal legislation. But there are some DTCs which do not contain any provision to ensure that the agreement reached will be implemented irrespective of the periods of limitation provided for in the internal legislation of the countries concerned. The consequences of this are that in these cases the internal limitation periods may apply.	-
31.	Is there any other information available on the implementation of MAP agreements?	No	-	-