



SIDE EVENT - UNCITRAL WG III INTERSESSIONAL MEETING: THE BEPS MLI

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The BEPS MLI

- Text adopted on 24 November 2016.
- Now covers 102 jurisdictions.
- Ratified by 85 of those jurisdictions.
- Will modify 1,900 bilateral tax treaties once in effect for all Parties (has already modified around 1,400 treaties).
- Was developed to implement the treaty-related measures developed in course of OECD/G20 BEPS Project.



The bilateral tax treaty network

- Network of over 3,500 bilateral treaties.
- Concluded by almost all countries (from all regions, levels of development).
- All based on OECD or UN Model Tax Conventions.
- Main purpose: to share taxing rights between two states in defined cases where a person is being taxed on an item of income by those two states.



The BEPS MLI: purpose

- Implements BEPS measures (reforms) in existing treaties.
- Contains around 20 measures that could be implemented.
- Flexible instrument that can accommodate different policy choices of Parties.



The BEPS MLI: operation and flexibility

- No bilateral discussion/negotiation required.
- Each Signatory to make notifications or reservations to translate policy choices:
 - Notification required to identify list of bilateral treaties to be covered
 - In general, reservation could be made to “not adopt” specific measures; and
 - In specific cases, notification could be made to “adopt” additional measures.



The BEPS MLI

- No protocols.
- No financial provisions.
- Conferences of the Parties possible but to discuss interpretation or implementation questions associated with BEPS MLI itself.
- Interpretation or implementation questions dealt with OECD Committee on Fiscal Affairs (and its Working Party 1 on Tax Conventions).



The BEPS MLI

- BEPS MLI Database available to all stakeholders (and shows the impact of BEPS MLI on each modified treaty)
- Parties are developing “synthesized texts” of their treaties as modified by the BEPS MLI.
- More information on: [Oe.cd/mli](https://www.oecd.org/mli)