A Multilateral Instrument for Updating the Tax Treaty Network

A legal-oriented analysis of Action 15 of the OECD’s Base Erosion and Profit Shifting Project

From tax competition … … to tax harmonization

Multilateral Tax Instrument

Substantive Changes

Action 2: Anti-Treaty Abuse Provisions Countering Hybrid Mismatches

Action 6: Compatibility of Bilateral Tax Treaties with Domestic Anti-BEPS Rules

Action 7: Modification of the Permanent Establishment Concept

Action 14: Multilateral Mutual Agreement Procedure

Implementation

Feasibility of a Multilateral Instrument

Simultaneous Application of the Multilateral Instrument and the Bilateral Tax Treaties

Interpretation of the Multilateral Instrument Together with the Bilateral Tax Treaties

How can a multilateral instrument be designed to further develop the existing network of more than 3,000 bilateral double taxation agreements, while embracing all the changes developed by the OECD in the context of the BEPS project which are needed to adjust the international tax framework to today’s digital and globalized economy?

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