

Release of BEPS discussion drafts on attribution of profits to permanent establishments and revised guidance on profit splits

One of the important parts in conjunction to the Final Report of Action 7 of BEPS, which modifies the notion and range of PEs, is the methodology for the attribution of profits resulting from these new rules. On July 4 the BEPS Committee released for public consultation the discussion drafts on attribution of profits to PEs, which is available for comments until September 5th. This report focuses on attributions of profits to permanent establishments, which are: a) dependent agent PEs, including those created through commissionnaire and similar arrangements; and b) warehouses as fixed place of business PEs; thus, independent from this document more on attribution of profits is expected after September. Below is the link with the report.

http://www.oecd.org/tax/transfer-pricing/BEPS-discussion-draft-on-the-attribution-of-profits-to-permanent-establishments.PDF

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