

Table of contents

Abbreviations and acronyms	7
Executive summary.....	9
Chapter 1. Introduction and background	11
Chapter 2. Overview of the OECD’s work on harmful tax practices.....	15
Chapter 3. Framework under the 1998 Report for determining whether a regime is a harmful preferential regime	19
Chapter 4. Revamp of the work on harmful tax practices: Substantial activity requirement	23
I. Introduction	23
II. Substantial activity requirement in the context of IP regimes.....	24
III. Substantial activity requirement in the context of non-IP regimes.....	37
Chapter 5. Revamp of the work on harmful tax practices: Framework for improving transparency in relation to rulings	45
I. Introduction	45
II. Rulings covered by the spontaneous exchange framework.....	47
III. Jurisdictions receiving the information	52
IV. Application of the framework to rulings	53
V. Information subject to the exchange.....	54
VI. Practical implementation questions.....	54
VII. Reciprocity	55
VIII. Confidentiality of the information exchanged.....	55
IX. Best practices.....	56
Chapter 6. Review of OECD and associate country regimes.....	61
I. Introduction	61
II. Conclusions on sub-national regimes and when they are in scope.....	61
III. Conclusions reached on regimes reviewed.....	62
IV. Regimes relating to disadvantaged areas.....	65
V. Downward adjustments	65
Chapter 7. Further work of the FHTP	67
I. Ongoing work including monitoring.....	67
II. Development of a strategy to expand participation to third countries.....	68
III. Consideration of revisions or additions to the existing FHTP criteria	68
Annex A. Example of a transitional measure for tracking and tracing	71
Annex B. Spontaneous exchange on taxpayer-specific rulings under the framework.....	73
Annex C. Template and instruction sheet for information exchange.....	74

Tables

Table 5.1	Summary of the countries with which information should be exchanged	53
Table 6.1	IP regimes.....	63
Table 6.2	Non-IP regimes	64
Table A.1	Taxpayer Q's expenditures	71