

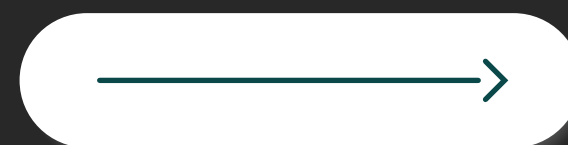


CAPABILITY
WISE

3 FAQs

**About the OECD/G20
Inclusive Framework
on BEPs**

Swipe on the slides
to learn more.



01

What is the Inclusive Framework on BEPS Doing to Curb Tax Avoidance by MNEs?

All countries and jurisdictions that have joined the Inclusive Framework on BEPS (IF) are committed to implementing 15 Actions. These 15 Actions aim to achieve the following:

- Tackling tax avoidance among multinational corporations.
- Improving the coherence of international taxation rules.
- Creating a more transparent tax environment.
- Addressing the tax challenges arising from the digitalisation of the global economy.



02

What is the OECD/G20's Two-Pillar Solution to Combat BEPS?

The current project, known as BEPS 2.0, follows a two-pillar approach:

Pillar One

- The first pillar covers the solutions for determining the allocation of taxing rights (i.e. nexus and profit allocation).
- The objective is to assign a greater share of taxing rights over global business income to market countries.

Pillar Two

- The second pillar covers the design of a system that ensures MNEs pay a minimum level of tax on profits earned (i.e. global minimum tax).
- It was approved in December 2021 by 141 jurisdictions participating in BEPS 2.0.



03

How Does the Inclusive Framework on BEPS Empower Governments?

The Inclusive Framework on BEPS equips governments with the domestic and international instruments that are necessary to combat tax avoidance among the world's multinational corporations.

Countries now have the tools to ensure that profits are taxed where the economic activities generating these profits are performed. These tools give businesses greater certainty by reducing disputes over the application of international tax rules, as well as the standardisation of compliance requirements.

Support is also being provided to countries that are interested in implementing and applying the rules in a consistent manner—particularly those that have long struggled with capacity building.