

BEPS implemented into the LATAM countries

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BEPS in LATAM: A holistic analysis and Mexico as Practical case

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Introducing the Speakers

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Interview session: BEPS in LATAM: A holistic analysis and Mexico as Practical case

Potential scope of application of BEPS in LATAM

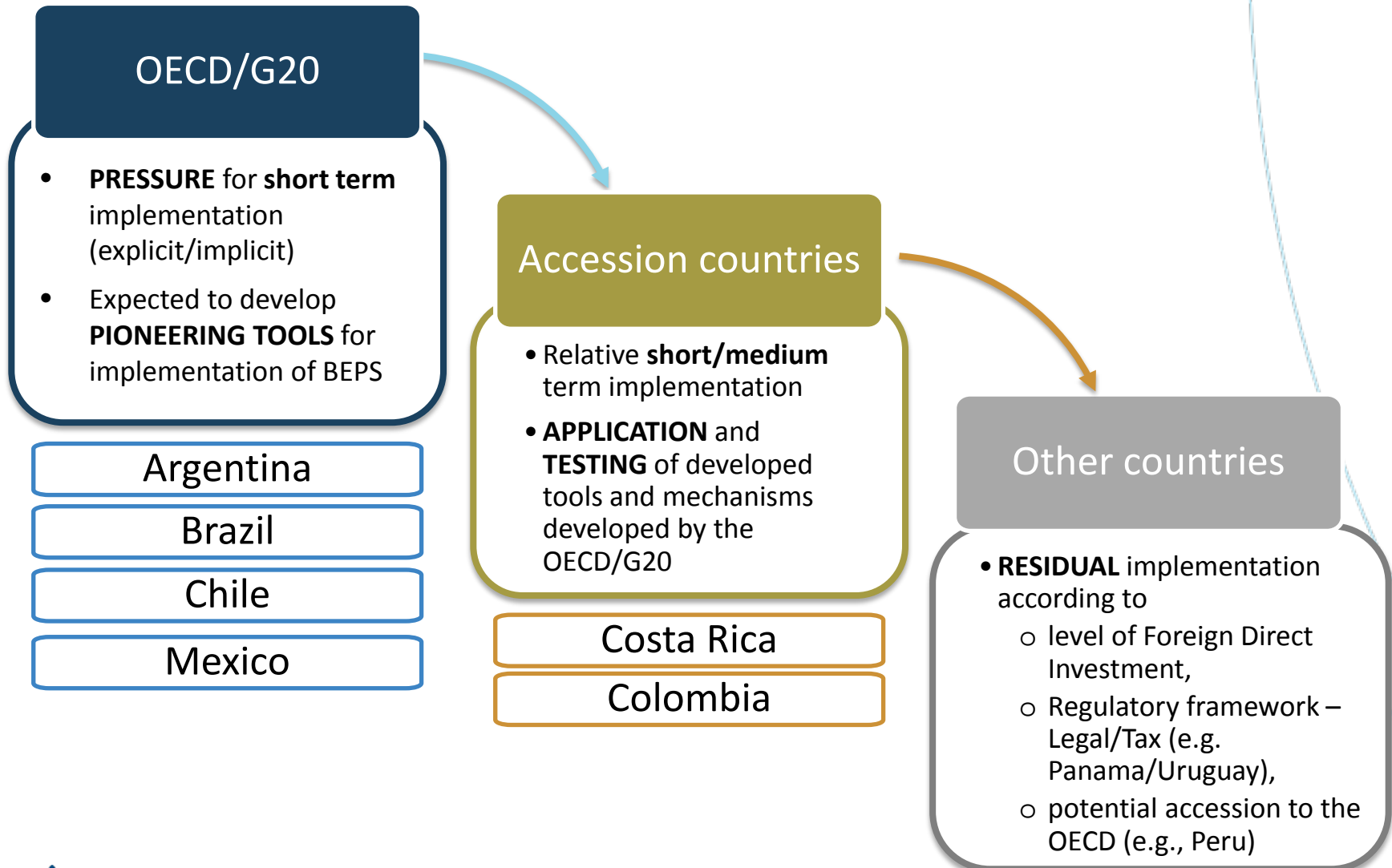
- 26 Countries in the region
 - Four G20 and/or OECD Members
 - Two accession countries (increased commitment with the program)

Brazil (G20 member + Key OECD Partner)	Uruguay	Puerto Rico (USA)
Mexico (OECD + G20 member)	Bolivia	Guadeloupe (FR)
Colombia (Accession country)	Dominican Republic	Martinique (FR)
Argentina (G20 member)	Honduras	French Guiana
Peru	Paraguay	Saint Martin (FR)
Venezuela	El Salvador	Saint Barthélemy (FR)
Chile (OECD member)	Nicaragua	Cuba
Ecuador	Costa Rica (Accession country)	Haiti
Guatemala	Panama	

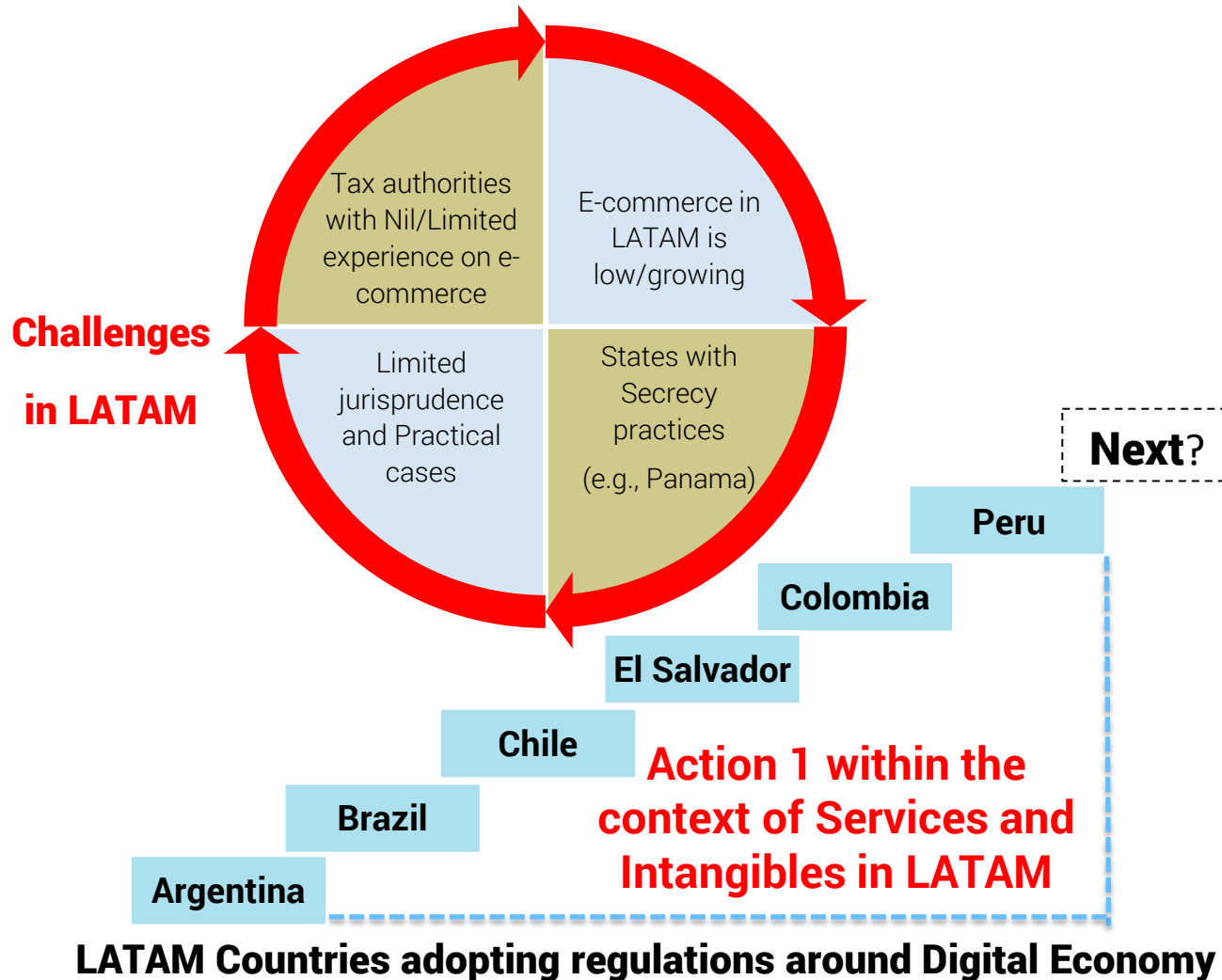
15 BEPS action plans: Which represent a higher threat to LATAM taxpayers?

High-risk	Medium-Low risk	Need to be developed
Action 1: Tax Challenges of the Digital Economy	Action 2: Effects of Hybrid Mismatch Arrangements	Action 11: Methodologies to Collect and Analyse Data on BEPS
Action 4: Interest Deductions and Other Financial Payments	Action 3: Strengthen CFC Rules	Action 12: Disclosure of Aggressive Tax Planning Arrangements
Action 7: Artificial Avoidance of PE Status	Action 5: Harmful Tax Practices, taking into account transparency and substance	Action 14: Effective Dispute Resolution Mechanisms
Action 8: Transfer Pricing Aspects of Intangibles	Action 6: Prevent Treaty Abuse	Action 15: Multilateral Instrument to Modify Bilateral Tax Treaties
Action 9: Transfer Pricing Aspects of Risks and Capital		
Action 10: Transfer Pricing Aspects of Other High-risk Transactions		
Action 13: Re-examine TP Documentation and CbC Reporting		

What does BEPS mean for the LATAM region



Action 1: Tax Challenges of the *Digital Economy*



Action 4: Interest deductibility and financial payments

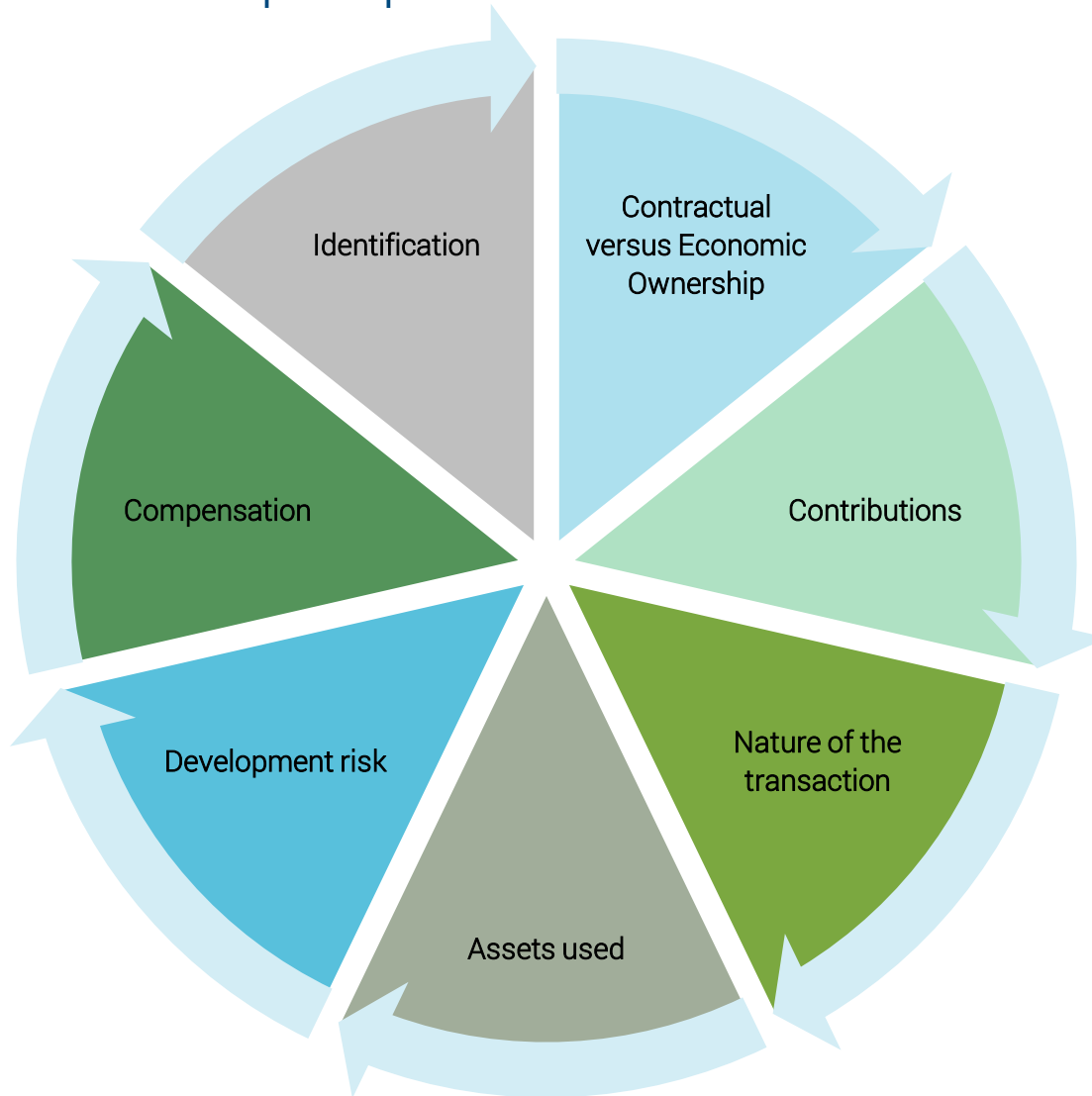


***Mexico as Practical case: No deductibility of interest payments in all cases?**

Actions 8 - 10: Transfer Pricing Risk and recharacterisation



Action 8: Key issues to address and quantify from a LATAM perspective



Mexico as Practical case:

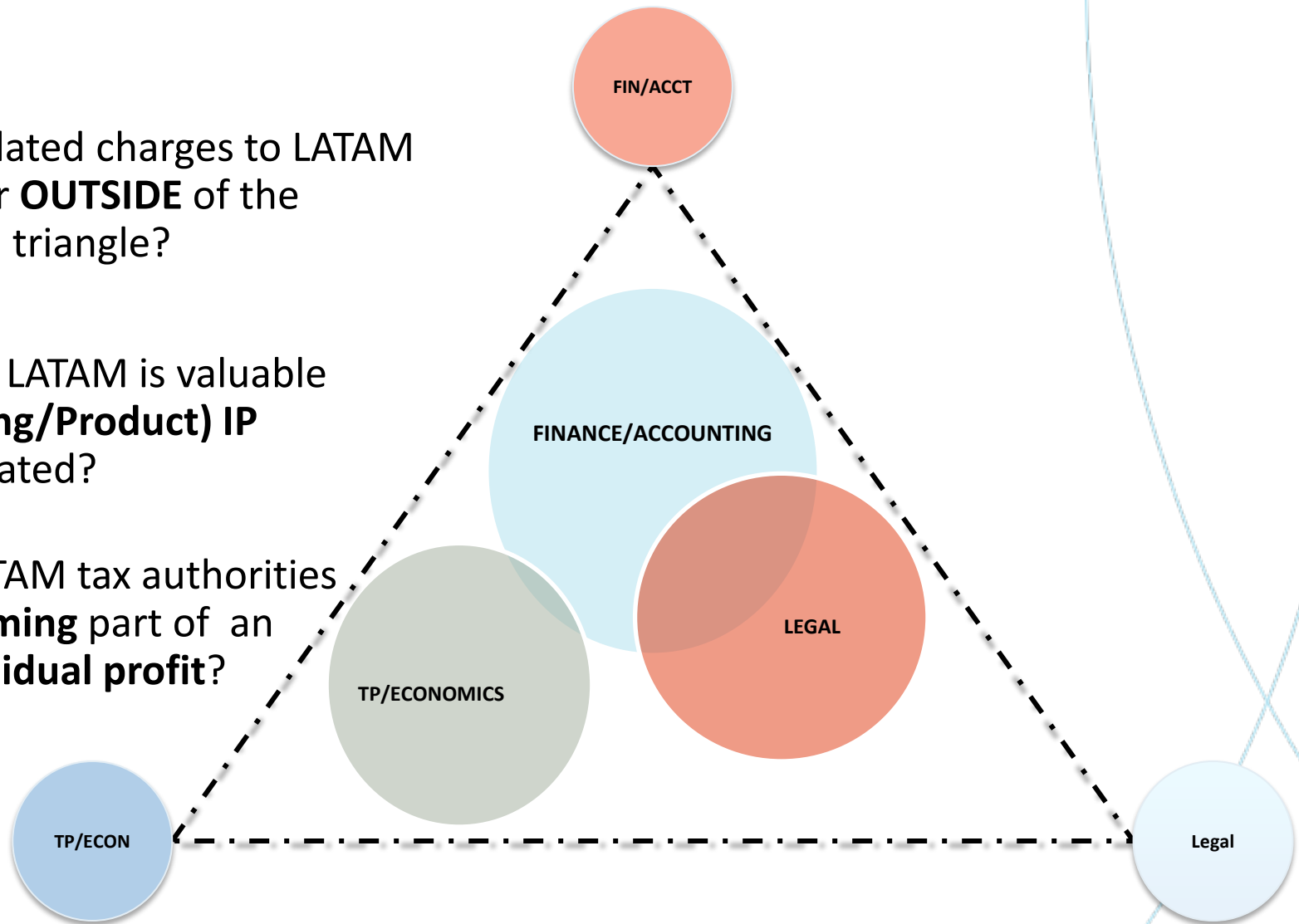
No Deductibility of Royalties and Technical Assistance in **All cases?**

Action 8: Value creation in transactions regarding intangible property

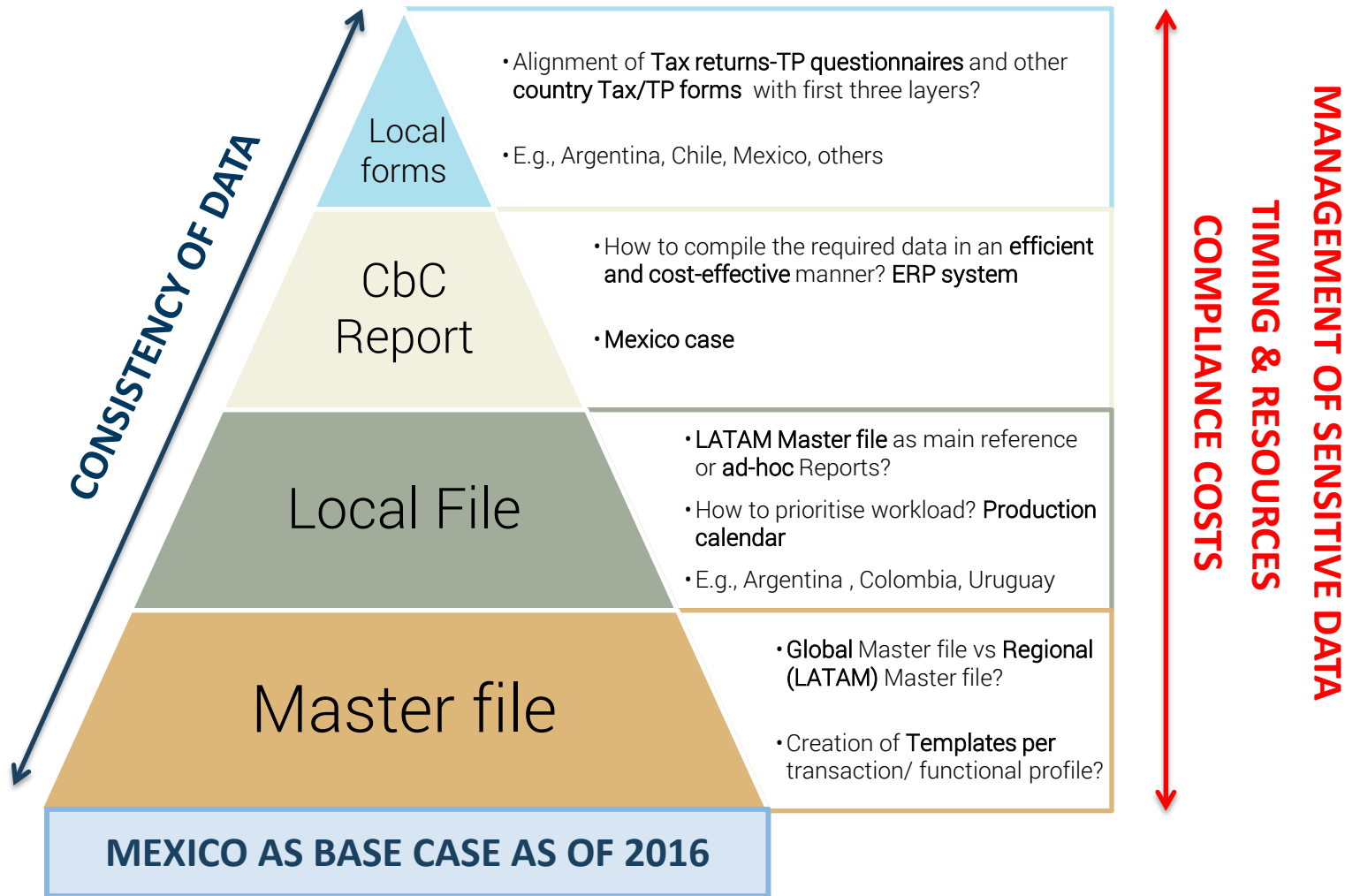
Are IP-related charges to LATAM **INSIDE** or **OUTSIDE** of the Bermuda triangle?

Where in LATAM is valuable **(Marketing/Product) IP** being created?

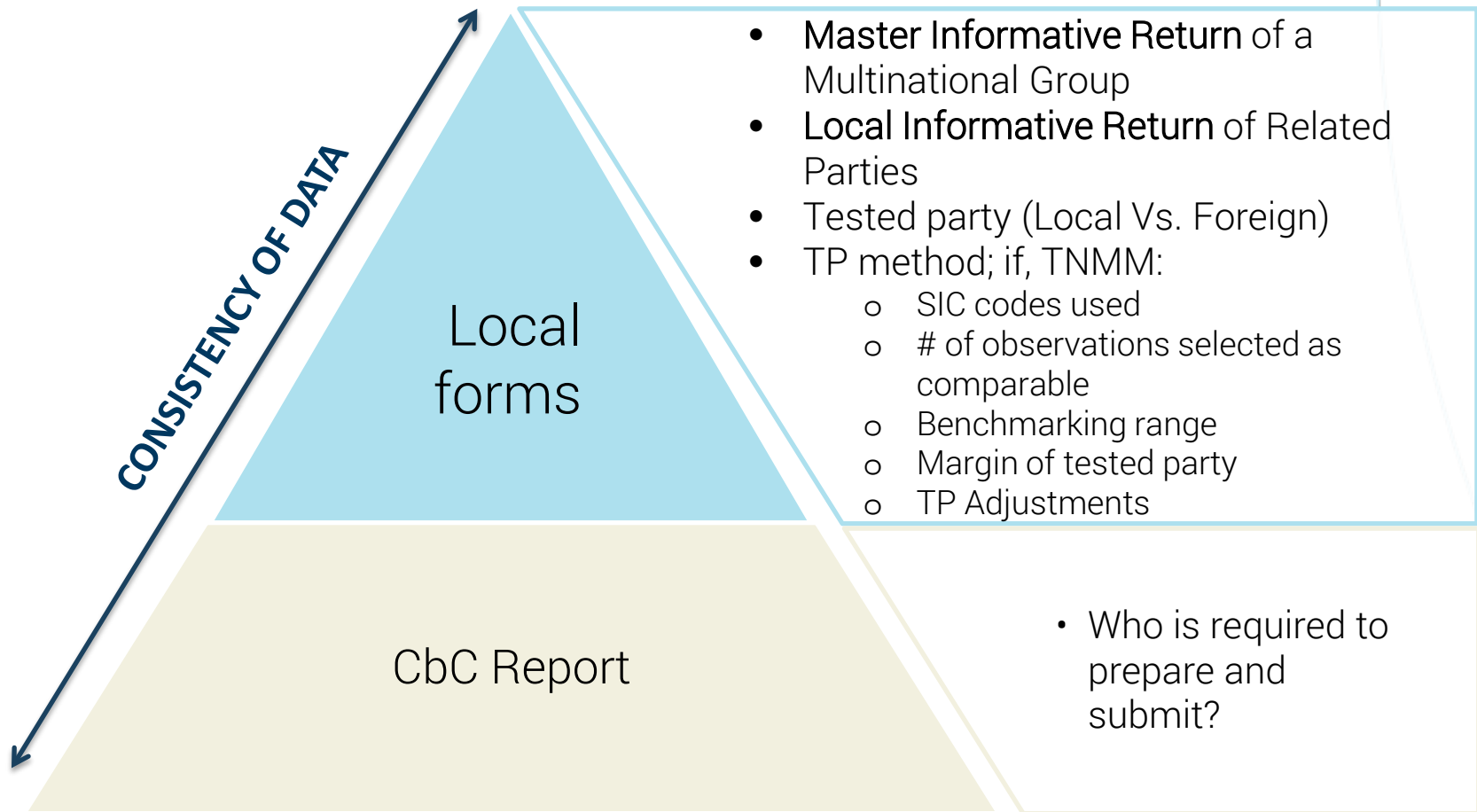
Could LATAM tax authorities start **claiming** part of an MNEs **residual profit**?



Action 13: TP Documentation and CbC Reporting



Action 13: Mexico as Practical case



Q & A

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