

# KPMG Japan e-Tax News

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## TAX UPDATE

### MULTILATERAL CONVENTION TO IMPLEMENT TAX TREATY RELATED MEASURES TO PREVENT BEPS (MLI) – SIGNED

#### 1. Japanese Ministry of Finance

On 8 June 2017, the Japanese Ministry of Finance released their statement on the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI) which was signed by 67 jurisdictions in Paris on 7 June 2017.

(The MLI is a mechanism to change swiftly existing tax treaties in line with recommendations made in the BEPS project. The MLI was developed based on a mandate under Action 15 (Developing a MLI to Modify Bilateral Tax Treaties) and the text was released on 24 November 2016.)

#### [Convention to Implement Measures to Prevent BEPS was Signed \(Japanese MOF Statement\)](#)

This press release explains the objective of the MLI, the background and next steps for the MLI and includes the following information:

##### **(1) Key Points of the Convention to Implement Measures to Prevent BEPS**

This statement briefly explains various items including measures to prevent BEPS introduced by the MLI, tax agreements covered by the MLI and choice and application of measures to prevent BEPS.

(Each of the parties to the MLI may choose all or part of its existing tax agreements as to be covered by the MLI. Each of the parties may also choose under specified conditions all or part of the provisions of the MLI regarding the tax treaty related measures to prevent BEPS as being applicable to their existing tax agreements.)

##### **(2) Outline of Japan's Provisional Choices of Application of the Convention to Implement Measures to Prevent BEPS**

This statement includes an outline of the contents of the provisional list of the choices of application of the MLI submitted by Japan at the time the MLI was signed.

(Please see the OECD document for '[Japan](#) (PDF 181.4KB)' for more details.)

## 2. OECD

The OECD also released their statement about the signature of the MLI on 7 June 2017.

[Ground-breaking multilateral BEPS convention signed at OECD will close loopholes in thousands of tax treaties worldwide](#)

You can see provisional lists (lists of Covered Tax Agreements, Reservations and Notifications (i.e. list of agreements subject to the Reservations, etc.) that each jurisdiction has chosen) by clicking the names of jurisdictions on the list of signatories ([Signatories and Parties to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting](#) (PDF 127KB)). (Please click here ([Japan](#) (PDF 181.4KB)) to reach the provisional list for Japan.)

The following related information is also included in the statement:

- [Information brochure](#) (PDF 173.9KB)
- [Frequently Asked Questions on the Multilateral Instrument \(MLI\)](#) (PDF 194.6KB)
- [Toolkit for Application of the Multilateral Instrument for BEPS Tax Treaty Related Measures](#) (including Legal Note, and Step-by-Step overview/Flowchart on the application of MLI provisions)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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