



TaxNewsFlash

United States



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United States and Turkey: Competent Authority Arrangement regarding exchange of country-by-country reports

The IRS posted on its website a “Competent Authority Arrangement” (CAA) entered into by the competent authorities of the United States and Turkey regarding the exchange of country-by-country (CbC) reports.

Read the [Competent Authority Arrangement](#) [PDF 185 KB] (signature and operative date of November 24, 2021) as added on November 30, 2021, to the IRS country-by-country jurisdiction status table [webpage](#).

The CAA begins by stating:

...the Government of the United States of America and the Government of the Republic of Turkey desire to increase international tax transparency and improve access of their respective tax authorities to information regarding the global allocation of the income, the taxes paid, and certain indicators of the location of economic activity among tax jurisdictions in which multinational enterprise groups (“MNE Groups”) operate through the automatic exchange of annual country-by-country reports (“CbC Reports”), with a view to assessing high-level transfer pricing risks and other base erosion and profit shifting related risks, as well as for economic and statistical analysis...

The CAA includes the following sections:

- Definitions
- Exchange of information with respect to MNE groups
- Time and manner of exchange of information
- Collaboration on transmission and errors

- Confidentiality, data safeguards and appropriate use
- Consultations
- Modifications
- Term of arrangement

KPMG observation

The CAA is applicable with regard to CbC reports for periods that began on or after January 1, 2019. Accordingly, U.S. MNE groups would not be required to locally file their CbC reports in Turkey.

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