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Global Tax Alert

The Latest on BEPS and Beyond

March 2025

EY Tax News Update

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Highlights

The early months of 2025 have been marked by policy announcements that could have a major impact on tax, trade and investment. As reported in our [previous edition](#), the new United States (US) administration issued several Executive Orders that affect the Base Erosion and Profit Shifting (BEPS) project, including the global minimum tax rules of Pillar Two.

Upcoming international meetings and negotiations will be critical events to follow in this regard. The [imminent appointment of the US delegate](#) to the Organisation for Economic Co-operation and Development (OECD) negotiations is key, providing the new US Administration with an official representative at the OECD table and in other negotiations. Therefore, the timing of the OECD plenary meeting of the Inclusive Framework next month is of particular importance. A key point of attention will be how the jurisdictions that have already introduced Pillar Two, in particular the Undertaxed Profits Rule (UTPR), will be responding to the position taken by the new US administration.

In response to the US Executive Orders and the wish to enhance industrial competitiveness in Europe, the Minister of Finance of the German State of Hesse, along with five of his peers, [has called for suspending Pillar Two](#). This comes amid concerns expressed by German industry groups regarding the Pillar Two/Minimum Tax rules. The future of Pillar Two could largely depend on the policy responses from the European Union (EU) and other countries to US announcements.



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The position taken by these six ministers signals an awareness of the tension between the introduction of Pillar Two and the EU ambitions to enhance industrial competitiveness. However, Germany will first need to have a coalition-government installed before this position can be considered at the federal level.

In the meantime, the new European Commission in its first 100 days has started rolling out its agenda on enhancing EU industrial competitiveness by publishing a competitiveness roadmap ([the Competitiveness Compass](#)) and multiple follow-up plans, such as tailor-made plans for specific industries and plans to lower administrative costs. These publications will be followed by many others in the coming months. In the industrial plans, the introduction of tax and other incentives plays an important role.

Striving to lower the administrative burden for businesses, the EU's Finance Ministers have asked the European Commission to develop a concrete tax decluttering agenda, including Directive on Administrative Cooperation on Mandatory Disclosure Rules (DAC6), which is the EU's implementation of BEPS Action 12. This agenda would follow the so-called [Omnibus packages](#) that the EU is already rolling out to simplify other EU rules, such as the non-financial reporting rules of the Corporate Sustainability Reporting Directive and the Carbon Border Adjustment Mechanism.

Despite these uncertainties, the past weeks have appeared to be business as usual for the BEPS project. For instance, as reported in this edition, the OECD recently published a consolidated report on Amount B. Additionally, on 11 March 2025, the EU Member States agreed to yet another revision of DAC, introducing into EU law the Top-up Tax Information Return (TTIR) and the dissemination approach. Notably, the 27 EU Finance Ministers did not use this opportunity to discuss Pillar Two more widely.

With the BEPS project intertwined with broader tax developments and trade discussions, stakeholders must remain attentive to these changes. Conducting detailed risk analyses and scenario planning will be essential to understanding the interactions between different tax initiatives and managing regulatory risks. By staying informed and proactive, businesses can effectively navigate the shifting tax landscape and seize opportunities for growth. This edition of Latest on BEPS and Beyond will help identify the most important developments of this month.

BEPS 2.0

OECD

OECD releases Consolidated Amount B report

On 24 February 2025, the OECD published the [Consolidated Report on Amount B](#), which outlines a simplified and streamlined approach for baseline marketing and distribution activities. The report incorporates materials related to Amount B, released by the Inclusive Framework throughout 2024. The content of the original publications has not been amended or modified; the report simply replicates the original content for ease of reference.

The guidance in the report sets out the characteristics of in-scope distributors, which cannot, for example, assume certain economically significant risks or own unique, valuable intangibles. Moreover, certain activities may exclude a distributor from the scope, such as the distribution of commodities or digital goods. The simplified and streamlined approach provides a pricing framework whereby a three-step process determines a return on sales for in-scope distributors. Additionally, the report offers guidance on documentation, transitional issues and tax certainty considerations.

European Union

EU Member States reach political agreement on DAC9

On 11 March 2025, the Council of the EU reached [political agreement](#) on the revision of DAC (DAC9). The agreed revised version of the Directive reflects the Global anti-Base Erosion (GloBE) Information Return (GIR) that the OECD Inclusive Framework on BEPS released on 15 January 2025 and includes other amendments to the original legislative proposal and Annex (draft proposal) presented by the European Commission (the Commission) on 28 October 2024. These amendments include removing the provisions that would give the Commission authority to adopt delegated acts to amend the TTIR standard form in response to future updates that the OECD Inclusive Framework makes to the GIR standard template. This means that future changes to the TTIR will require legislative amendment.

To enhance consistency and transparency, large-scale domestic groups with ownership interests in joint ventures are required to use the TTIR standard template if subject to a qualified domestic top-up tax in another Member State. Furthermore, the revisions clarify that Member States opting not to apply the Income Inclusion Rule (IIR) and the UTPR will report information starting from the first fiscal year in which a qualified domestic top-up tax (QDMTT) is implemented.

The compromise text also introduces additional reporting requirements for financial institutions to align with DAC8, expanding obligations to include self-certification status, account type classification, and the role of Reportable Persons in Investment Entities, effective from 1 January 2026.

Once DAC9 is formally adopted by the Council, Member States will have until 31 December 2025 to transpose the rules into national law with information being exchanged by 31 December 2026 - exceptions apply.

Country developments

Turkiye will not apply Pillar One Amount B

On 7 March 2025, the Turkish Ministry of Treasury and Finance announced that Türkiye will not apply Pillar One Amount B for in-country baseline marketing and distribution activities.

BEPS and other developments

OECD

2025 Global Forum Capacity Building report highlights advancements in tax transparency and cooperation among jurisdictions globally

On 6 March 2025, the latest [Capacity Building Report](#) was published by Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum), which is the primary multilateral body dedicated to transparency and exchange of information for tax purposes. Its mandate is to ensure the rapid and effective implementation of internationally recognized standards on transparency and exchange of information, specifically exchange of information on request and automatic exchange of financial account information. The Global Forum also assists members, particularly those with lower capacity, in implementing and benefiting from these standards. This is achieved through a robust monitoring and peer-review process for all members, along with a capacity-building program to optimize cross-border information sharing.

The report highlights the record-breaking number of outreach and capacity-building activities that the Global Forum conducted in 2024, emphasizing their significant impact on member jurisdictions in enhancing tax transparency and combating tax evasion. Developing countries accounted for nearly 80% of the additional €4b in revenue that Global Forum members identified in 2023, with notable gains in Africa. The report showcases the results of years of efforts in awareness raising and capacity building, which have fostered effective administrative cooperation.

In 2024, the Global Forum Secretariat provided bilateral technical support to 100 jurisdictions, including 79 developing countries. The Multilateral Convention on Mutual Administrative Assistance in Tax Matters welcomed two new members, Algeria and Trinidad and Tobago, raising the total participation to 73 developing countries. Additionally, four new jurisdictions committed to commencing automatic exchanges of financial account information this year, with three jurisdictions already initiating reciprocal exchanges. Fourteen developing countries pledged to begin automatic exchanges of information related to crypto-asset transactions by 2027 or 2028. In terms of cross-border investigations, developing countries sent more than 3,200 requests for information in 2023, marking an increase of more than 18% compared to the previous year. Finally, Zambia joined the Global Forum as its 171st member in 2024, becoming the 39th member from Africa.

OECD publishes third batch from simplified peer review on BEPS Action 14

On 4 March 2025, the OECD [released](#) the third batch of reports reflecting the outcome of Stage 1 of the simplified peer review process for implementing the BEPS Action 14 minimum standard.

This process, initiated in January 2023, targets jurisdictions with limited Mutual Agreement Procedure (MAP) experience that choose not to undergo a full peer-review process. It assesses their tax treaty networks, MAP profiles and guidance, compliance with the MAP Statistics Reporting Framework and practical application of the minimum standard.

The simplified peer review is conducted in two stages: the initial Stage 1 Peer Review and the subsequent Stage 2 Peer Monitoring. The third batch of Stage 1 reports covers 10 jurisdictions: [Benin](#), [Burkina Faso](#), [Dominica](#), [Grenada](#), [Iceland](#), [Montenegro](#), [Peru](#), [Saint Lucia](#), [Samoa](#) and [Senegal](#).

According to the OECD [press release](#), the results from these simplified peer reviews indicate that most jurisdictions participating in the process either have, or want to, put in place a policy framework for MAP and are willing to take the necessary measures to achieve the efficient, effective and timely resolution of disputes.

The OECD will continue to release Stage 1 peer review reports and will begin Stage 2 Peer Monitoring two years after the Stage 1 reports are approved, focusing on implementing recommendations made by each jurisdiction in enhancing their dispute resolution mechanisms.

See EY Global Tax Alert, [OECD publishes third batch of simplified peer review reports on BEPS Action 14](#), dated 7 March 2025.

G20 Finance Ministers' meeting discussion on international taxation

On 26 and 27 February 2025, the first meeting of the G20 Finance Ministers and Central Bank Governors (FMCBG) under the South African G20 Presidency, was held in Cape Town. According to press reports, the finance ministers from Canada, China, India, Japan and the United States did not attend the meeting.

At the conclusion of the meeting, the Chair issued a [summary](#) (Chair's Summary) of the discussion, which invites the OECD/G20 Inclusive Framework on BEPS to report on progress on BEPS by the October 2025 G20 FMCBG meeting. The Chair's Summary also calls for new work on strengthening revenue administrations and understanding how tax policies in the field of individual taxation may affect inequality. In addition, the Chair's Summary encourages constructive engagement in developing the United Nations (UN) Framework Convention on International Taxation Cooperation.

In connection with the G20 FMCBG meeting, the OECD released its [Secretary-General Tax Report to G20 Finance Ministers and Central Bank Governors](#) (the Report), outlining recent developments in international tax cooperation and emphasizing the OECD's support for G20 tax initiatives.

The Report provides updates on Pillar One and Pillar Two developments and implementation of the BEPS minimum standards. Additionally, it describes ongoing work on tax and development, and enhancing tax transparency, including developments with respect to the Crypto Asset Reporting Framework (CARF). The Report also outlines the OECD's plans to develop a report on the intersection of tax policy and inequality, as requested by the South African G20 Presidency.

See EY Global Tax Alert, [G20 Finance Ministers' meeting discussion on international taxation](#), dated 6 March 2025.

United Nations

UN issues report of Intergovernmental Session and updates website with dates of 2025 substantive sessions

Recently, the [Report](#) of the Organisational Session of the Intergovernmental Negotiating Committee on the United Nations Framework Convention on International Tax Cooperation (Framework Convention) was published, summarizing the session. Outcomes of the meeting included the election of the Bureau, which consists of a Chair, 17 Vice-Chairs and a Rapporteur, with representation from various regions. The Committee established a decision-making process that strives for consensus. When consensus cannot be reached, a simple majority vote generally will be sufficient, but a two-thirds majority will be needed on matters of substance relating to a protocol to the Framework Convention. Additionally, the Committee chose prevention and resolution of tax disputes as the subject for the second early protocol to the Framework Convention.

Furthermore, the [webpage](#) of the Intergovernmental Negotiations for the Framework Convention on International Tax Cooperation was updated to provide the dates for the 2025 substantive sessions. In accordance with the Terms of Reference, the intergovernmental negotiating committee will meet three times per year, with each session lasting no more than 10 working days. The first session will take place in New York from 4 to 8 August 2025, followed by the second session from 11 to 15 August 2025, also in New York. The third session is scheduled for 10 to 21 November in Nairobi.

UN Committee on Economic, Social and Cultural Rights adopts statement on tax policy and the ICESCR

On 28 February 2025, the UN Committee on Economic, Social and Cultural Rights (CESCR) adopted a [Statement](#) on tax policy and the International Covenant on Economic, Social and Cultural Rights (ICESCR). The CESCR, a body of 18 independent experts, was established in 1985 to monitor the implementation of the ICESCR by its State parties. Currently, 173 countries have ratified or acceded to the ICESCR, while four countries have signed but not ratified it, and 20 countries have not signed the ICESCR.

The CESCR calls for international cooperation to combat tax evasion and illicit financial flows. The ICESCR requires State parties to ensure that their national tax policies do not undermine the capacity of other countries to raise public revenues to implement economic, social, and cultural rights. Furthermore, the CESCR supports the negotiation of a UN Framework Convention, encouraging State parties to develop inclusive international tax rules that consider the diverse needs of countries, especially developing nations.

Additionally, the CESCR calls upon States to implement a global minimum tax on the profits of large multinational enterprises across all jurisdictions where they operate, and to explore the possibility of taxing these enterprises as single firms based on their total global profits, with the tax then apportioned fairly among all countries where their activities take place. It also recommends considering a globally coordinated minimum income tax for ultra-high-net-worth individuals.

European Union

EU Finance Ministers approve Council Conclusions on tax decluttering and simplification agenda

On 11 March 2025, during the recent Economic and Financial Affairs Council (ECOFIN) meeting, EU Finance Ministers approved [Council Conclusions](#) on a “tax decluttering and simplification agenda which contributes to the EU’s competitiveness.”

The agenda is built on four key principles: (1) reducing the reporting, administrative and compliance burdens for Member States administrations and taxpayers, (2) eliminating outdated and overlapping tax rules and, where relevant, (3) increasing the clarity of tax legislation, and (4) streamlining and improving the application of tax rules, procedures and reporting requirements.

The Council recommends that simplification efforts begin with a review of DAC6 (mandatory disclosure rules or MDR) and the Anti-Tax Avoidance Directive (ATAD), while also encompassing the entire EU taxation acquis (i.e., principles and rules on taxation within the EU), including indirect taxation.

An action plan with a clear timeline is anticipated, with the Commission tasked to deliver an initial report by September 2025. This report will also serve as a basis for stakeholder consultations and outline a roadmap for the tax simplification agenda.

Country developments

Antigua and Barbuda introduces BEPS Bill 2025

On 26 February 2025, the Ministry of Legal Affairs, Public Safety, and Labour in Antigua and Barbuda published the [BEPS Bill 2025](#), reaffirming its commitment to implementing OECD/G20 Inclusive Framework initiatives.

This legislation emphasizes Country-by-Country Reporting (CbCR) and transfer pricing to improve tax compliance among multinational enterprises (MNEs). It mandates that MNEs file a Country-by-Country (CbC) report within 12 months of the end of their reporting fiscal year, effective from the first fiscal year following the BEPS Bill’s entry into force. Additionally, transfer pricing rules will be implemented starting with the 2026 year of assessment, requiring MNEs to submit a return that details intra-group transactions and confirms that the pricing between related parties complies with the arm’s length principle.

The BEPS Bill also establishes an advance pricing agreement regime and includes plans to issue future regulations that will clarify application requirements and procedures. Additionally, it specifies the circumstances under which the Commissioner may intervene to make corresponding adjustments to prevent cross-border double taxation.

Finally, the BEPS Bill includes provisions for implementing the Multilateral Competent Authority Agreement (MCAA) for the exchange of CbC reports and the Multilateral Convention on Mutual Administrative Assistance in Tax Matters.

New procedures for Advance Pricing Agreements in Chile

On 6 March 2025, the Chilean Internal Revenue Service (SII) issued [Resolution Ex. SII 28-2025](#), establishing a new procedure for requesting an Advance Pricing Agreement (APA) in accordance with the transfer pricing provisions under Article 41 E, Number 7 of the Income Tax Law.

The new rules introduce amendments to the framework, including the requirements and documentation needed for preconsultation with the SII, as well as the procedures for requesting an APA with or without prior consultation. Taxpayers must provide specific supporting documentation alongside their official requests, including detailed transfer pricing reports or studies.

The resolution mandates a 12-month deadline for the SII to issue a final resolution on APA requests, outlines the procedure for signing the agreements, and specifies the content to be included in the APAs. Additionally, it provides guidelines for entering into APAs with other tax administrations and allows for retroactive application of agreements. To ensure compliance, the SII will require annual reports from taxpayers. The resolution also details the reasons and procedures for extending or terminating APAs.

This initiative reflects Chile's commitment to aligning its tax regulations with international standards on BEPS.

Chile releases updated list of 'blacklisted' jurisdictions

On 6 March 2025, the Chilean Tax Authorities provided an updated list of jurisdictions deemed "preferential tax regimes" for Chilean tax purposes.

This development follows changes introduced in October 2024 under tax compliance bill Law No. 21,713. The new law simplifies the requirements for a jurisdiction to qualify as a "preferential tax regime." As a result, the "preferential tax regime" list includes significantly fewer jurisdictions, because 46 countries were removed and four new countries added. Countries that are no longer considered a "preferential tax regimes" include Bermuda, British Virgin Islands, Cayman Islands, Costa Rica, Curaçao, El Salvador, Hong Kong, Malaysia, Qatar, Serbia, Thailand and the United Arab Emirates.

Jurisdictions included in this list will be deemed "preferential tax regimes" as of 1 January 2025.

See EY Global Tax Alert, [Chile releases updated list of 'blacklisted' jurisdictions](#), dated 12 March 2025.

Chile introduces modifications to preferential tax regimes and CFC rules

On 30 January 2025, the SII issued a [circular ruling](#) introducing modifications to Law No. 21.713 concerning preferential tax regimes and controlled foreign companies (CFC) rules.

The circular ruling amends Article 10 of the Income Tax Law (ITL), imposing additional taxation on nonresident entities that engage in the indirect sale of Chilean assets when these entities are incorporated in jurisdictions classified as having preferential tax regimes. Specifically, if a foreign entity's assets include any Chilean property, even if indirectly held, the sale of its shares or rights will be subject to taxation in Chile. This change became effective on 1 November 2024.

In addition, the modifications also establish stricter criteria for identifying CFCs controlled by Chilean residents. The law now mandates that Chilean taxpayers must consider as taxable the passive income earned by foreign entities they control, regardless of whether those entities are domiciled in low-tax or no-tax jurisdictions. The definition of "related parties" has been updated, broadening the criteria for determining control over foreign entities.

The updated criteria for classifying jurisdictions as having "preferential tax regimes" under Article 41H stipulate that two conditions must be met: (1) there must be no effective exchange of information agreement in place with Chile, and (2) the jurisdiction must not comply with OECD transparency standards. The tax authorities will regularly issue resolutions that identify the jurisdictions qualifying under this definition.

Denmark implements DAC8 into domestic law

On 26 February 2025, the Danish Minister of Taxation submitted a [bill](#) to the Parliament to initiate implementing the EU Directive Amending Directive 2011/16/EU on Administrative Cooperation (2023/2226) (DAC8), entailing the implementation of the CARF.

The proposed legislation mandates that crypto-asset service providers report detailed information regarding their clients' transactions, facilitating the exchange of information among EU Member States. Additionally, it seeks to amend existing provisions on information exchange, extending automatic information sharing to include e-money transactions. It would also give the Minister of Taxation the authority to establish additional rules through executive orders to ensure compliance with DAC8 and implement the OECD model rules.

This bill emphasizes Denmark's commitment to implementing the CARF scheme and the Common Reporting Standard (CRS) proposed by the OECD as an international standard. The goal is not only to exchange information about crypto assets with European countries but also with third countries, where the majority of crypto-asset service providers are based.

The law is scheduled to take effect on 1 May 2025. The relevant Committee will consider questions until 27 March 2025, and responses along with proposed amendments are due by 4 April 2025. Political discussions and the submission of the report are scheduled for 9 April 2025, with final readings anticipated between late April and early May 2025.

Egypt introduces legislation to facilitate tax compliance, settlements and dispute resolution

On 12 February 2025, the Egyptian Parliament published Law No. 5 of 2025 (Law No. 5) in the *Official Gazette*, as part of a comprehensive package of laws. This package of laws represents a substantial contribution to transforming the tax landscape in Egypt, focusing on facilitating tax compliance, enhancing tax settlements and providing incentives for taxpayers, thereby fostering a healthy tax system for taxpayers.

Taxpayers who have not filed their tax returns and tax forms, including the Master File, Local File and CbC report for any tax period starting from Fiscal Year 2020 until 13 February 2025, may still submit their returns. In addition, taxpayers who have filed these tax returns and forms for the specified tax period may submit amended tax returns if there is an error or missing data, without incurring delay fines or additional tax for the period between submitting the original and the amended returns. This applies for amended tax returns submitted after their original deadlines but before 13 February 2025. Further, no penalties or fines shall apply if these returns are submitted within six months of 13 February 2025.

Taxpayers who undergo a tax inspection by the Egyptian Tax Authority on a deemed basis for periods prior to 1 January 2020 may request dispute settlements at any dispute level, in the following cases:

- ▶ **Submission of tax return with a tax due:** Paying 30% of the tax due as reported in the submitted tax return for tax periods subject to dispute, without prejudice to paying the tax due on the return if it has not been paid
- ▶ **Failure to submit tax return, submission with no tax due, or submission with tax losses:** Paying the value of the tax due based on the last agreement between the taxpayer and the Tax Authority on the disputed tax period or periods, in addition to 40% of the tax due

Payment can be made in equal quarterly installments (i.e., 25%) over a one-year span without late payment fees or additional taxes. In both cases, the Tax Authority is expected to provide further details on the application mechanism.

Taxpayers who were inspected based on regular books and records, for periods ending before 1 January 2020, may request to settle disputes at any dispute level with a 100% exemption from delay-interest fines, additional taxes and additional amounts if the original tax due is fully settled within three months from the date of submitting the dispute settlement request.

To avail themselves of the dispute settlement incentive, taxpayers should submit a dispute settlement request within three months from 13 February 2025. The Minister of Finance may extend this period once upon request.

See EY Global Tax Alert, [Egypt introduces legislation to facilitate tax compliance, settlements and dispute resolution](#), dated 5 March 2025.

France publishes the new declaration form for CbCR and Pillar Two notification

On 27 January 2025, the French tax authorities released a new reporting form ([No. 2065-INT-SD](#)) with two sections. Section I concerns companies that are part of an MNE group subject to CbCR, and Section II concerns entities belonging to an MNE or national group that is subject to the global minimum tax rules established under Pillar Two.

Regarding Section I (CbCR section of the new form), the information to be provided is the same information that was required in section G of tax form No. 2065-SD prior to its 2025 version.

Regarding Section II (Pillar Two section of the new form), the information to be provided includes: (1) information on whether the entity falls within the scope of the global minimum tax rules; (2) identification of the Ultimate Parent Entity (UPE) and of the entity designated to file the information return for the top-up tax; (3) information related to domestic minimum top-up tax (DMTT) due to the under taxation of investment entities and insurance investment entities; and (4) identification of the entity designated to submit the settlement statement in France.

Moving forward, concerned entities will be required to submit this form annually with their corporate income tax return.

See EY Global Tax Alert, [France publishes the new declaration form for CbCR and Pillar Two notification](#), dated 5 February 2025.

France-US joint statement issued on automatic exchange of CbCR for fiscal years beginning in 2024 and 2025

Recently, the US competent authority (Internal Revenue Service (IRS)) and French competent authority (the Competent Authorities) issued a [joint statement](#) regarding the spontaneous exchange of CbC reports for fiscal years commencing in 2024 and 2025. This automatic exchange would be made pursuant to Article 27 of the double tax treaty between France and the United States (France-US DTT).

While the Competent Authorities are still negotiating a competent authority agreement and arrangement to allow the automatic exchange of CbCR, the CbCR of MNE groups with fiscal years beginning on or after 1 January 2024 and before 1 January 2026 will be exchanged without awaiting the conclusion of these negotiations.

In addition, according to the joint statement, the French competent authority acknowledges that US MNE groups and their constituent entities will not have a local filing obligation in France if: (1) the US MNE group files a CbCR with the IRS that complies with the requirements of the 2015 OECD report; (2) the MNE group has one or more constituent entities that are tax residents in France or subject to tax due to a permanent establishment in France; and (3) the CbC report is spontaneously exchanged with the French competent authority pursuant to Article 27 of the France-US DTT.

The reports will be exchanged through a common format in Extensible Markup Language (XML), and competent authorities must notify one another if they reason to believe,

with respect to an entity resident in the other's jurisdiction, that an error may have led to incorrect or incomplete information reporting. The competent authorities intend to exchange these reports as soon as possible, and no later than 15 months after the end of the fiscal year of the MNE group to which the automatic exchange of CbCR relates.

Furthermore, if a person considers that an adjustment to the taxable income of a constituent entity, based on CbCR data, results in taxation inconsistent with the France-US DTT, the competent authorities will have to resolve the matter through a MAP.

Polish Ministry of Finance shares key directions for amendments to MDR regulations

On 17 February 2025, the Polish Ministry of Finance announced plans to amend Tax Ordinance¹, in part outlining anticipated changes to the MDR.

Planned changes to the MDR regime include adjustments to MDR reporting for professionals bound by legal professional privilege in line with a ruling by the Court of Justice of the EU (C-694/20) that exempts legal advisors, advocates, tax advisors and patent attorneys from MDR reporting obligations.

Additionally, the amended rules would give the Minister of Finance authority to issue decrees exempting certain transactions from the obligation to report domestic arrangements. There would also be a reduced compliance burden under MDR provisions, as the requirement for intermediaries' notifications would be repealed, and the frequency of beneficiaries' submissions would be reduced to once a year and could be signed by proxy.

Furthermore, fines for failing to report a tax arrangement would be reduced, and certain sanctions may be eliminated. Lastly, the obligation for the Head of the National Tax Administration to assign a tax arrangement number (TAN) would be removed if the submitted arrangement information already contains a TAN due to another entity's submission of an MDR report.

A full draft of the proposed law is not yet available and is planned to be accepted by the Council of Ministers in the second quarter of 2025.

See EY Global Tax Alert, [Polish Ministry of Finance shares key directions for amendments to MDR regulations](#), dated 5 March 2025.

Saudi Arabia releases guidelines on advance pricing agreements

In February 2025, Saudi Arabia's Zakat, Tax and Customs Authority (ZATCA) published the [APA Guidelines](#) on its official website. On 20 March 2023, the ZATCA Board amended the Transfer Pricing Bylaws to introduce Article 23, allowing taxpayers and zakat payers to submit APA applications starting from 1 January 2024, aimed at providing tax certainty and preventing future transfer pricing disputes in Saudi Arabia.

To facilitate the processes relating to APAs, the APA Guidelines contain the following key points.

- ▶ **Eligibility:** Taxpayers with annual transactions exceeding 100 million Saudi Riyal (SAR100m) are eligible to request an APA, subject to exemptions for complex transactions.
- ▶ **Information submission:** Taxpayers are expected to provide complete and timely information throughout the APA process.
- ▶ **Timeline for applying for APAs:** An APA application must be submitted at least one year prior to the commencement of the first fiscal year stated in the agreement. Currently, the ZATCA is only processing unilateral APA applications.
- ▶ **APA validity period:** The APA is valid for three years, with the possibility of renewal for another three years under certain conditions.
- ▶ **Prefiling:** Taxpayers may request an optional prefiling meeting on a named basis to discuss the APA application with the APA team, prior to submitting the formal application.
- ▶ **Compliance reporting:** An annual compliance report is required once the APA is finalized.

See EY Global Tax Alert, [Saudi Arabia releases guidelines on advance pricing agreements](#), dated 20 February 2025.

Singapore updates list of jurisdictions for exchange of CbC reports

On 5 March 2025, the Inland Revenue Authority of Singapore published its updated [list](#) of jurisdictions with which it will exchange CbC reports under the MCAA on the exchange of CbC reports. Singapore added to the list the Dominican Republic, with which the exchange relationship is effective from fiscal years beginning on 1 January 2023.

Following this update, Singapore has an exchange relationship with a total of 96 jurisdictions.

Singapore releases FAQs on spontaneous exchange of information

On 1 January 2025, Singapore released frequently asked questions ([FAQs](#)) on spontaneous exchange of information (EOI).

The FAQs indicate that committing to the spontaneous EOI on certain rulings under the OECD framework is part of Singapore's adherence to the Inclusive Framework on BEPS, which mandates the spontaneous EOI on specific rulings as a minimum standard.

Singapore will exchange information with jurisdictions that have a tax treaty or exchange arrangement with Singapore, possess the necessary legal framework and safeguards for confidentiality and appropriate use of information exchanged, and are similarly committed to the compulsory spontaneous EOI. The Inland Revenue Authority of Singapore (IRAS) will determine the adequacy of a jurisdiction's legal framework and safeguards based on assessments by the Global Forum on Transparency and Exchange of Information for Tax Purposes.

Subject to meeting the above criteria, the spontaneous EOI in relation to rulings will generally involve: (1) the jurisdictions of residence of all related parties involved in transactions for which a ruling is granted or that give rise to income from related parties benefitting from preferential treatment; (2) the taxpayer's ultimate and immediate parent entities; and (3) the head office of the permanent establishment (PE) in respect of PE rulings. A 25% related-party threshold for shareholding is established for the purpose of this exchange.

Finally, according to the FAQs, the spontaneous EOI will commence (1) for rulings issued on or after 1 April 2017 but before 1 January 2025, no later than three months after the date on which the ruling becomes available to IRAS, and (2) for rulings issued on or after 1 January 2025, within six months after the date the ruling was issued. Taxpayers will not be informed when their information is exchanged or with whom it has been shared.

Singapore and New Zealand sign competent authority arrangement on arbitration

On 29 November 2024, the Inland Revenue Authority of Singapore issued a [media release](#) announcing that on 18 and 21 November 2024, the competent authorities of the Republic of Singapore and New Zealand signed a competent authority arrangement (CAA) to establish how the arbitration process provided for in Part VI (Arbitration) of the Multilateral Instrument (MLI) will apply between the two countries.

The arbitration provisions allow taxpayers to request that issues arising from a Mutual Agreement Procedure case that has remained unresolved for more than two years be submitted to an arbitration panel for resolution. The full text of the CAA is published as Annex B to the Singapore-New Zealand [Avoidance of Double Tax Agreement](#).

The competent authorities of both countries have outlined the process for submitting a case to arbitration, including the required information, the appointment of arbitrators, and the arbitration process itself. The agreement also includes provisions for communicating information, confidentiality and the costs associated with the arbitration process. Additionally, their agreement addresses the implementation of the arbitration decision, the entry into effect of Part VI (Arbitration) of the MLI, and reservations with respect to the scope of cases eligible for arbitration.

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