

16 April 2025

Global Tax Alert

The Latest on BEPS and Beyond

April 2025

EY Tax News Update

EY's Tax News Update is a free, personalized email subscription service that allows you to receive EY Global Tax Alerts, newsletters, events, and thought leadership published across all areas of tax.

Access information about the US tool and registration [here](#).

Access information about the Global tool and registration [here](#).

Also available is our [EY Global Tax Alert Library](#) on ey.com.

Highlights

This year (2025) is shaping up to be pivotal for the Organisation for Economic Cooperation and Development (OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS)), not only due to the ongoing negotiations surrounding Pillars One and Two, but also as it marks the 10th anniversary of the BEPS Package adopted in 2015 (BEPS 1.0). The 17th Plenary meeting held in Cape Town, South Africa this month celebrated this milestone while also capturing the current negotiations.

According to their outcome statement, the Inclusive Framework members took stock of the impact of BEPS 1.0 to date, reflecting on the experiences gathered over the past decade. They engaged with stakeholders, including businesses and civil societies. They also noted that a report is being prepared for the G20. This presents an opportunity for businesses to provide additional feedback to share their experience with the BEPS measures and, in particular, to also inform the "decluttering" agenda.

Looking ahead, the Inclusive Framework has identified future work areas, including tax implications of global mobility - an area where the OECD has initiated discussions that have yet to yield tangible results - and the pressing issues of equality and wealth taxation, which have been prioritized by the G20.



**Shape the future
with confidence**

The ongoing work on the Pillars One and Two remains a focal point, although the outcome statement made only general reference to it. The Inclusive Framework “recognized the critical importance of securing certainty and stability in the international tax system, in particular with respect to the implementation of Pillar Two and the ongoing Pillar One negotiations, agreeing to continue discussions in furtherance of this objective.”

The Pillar Two negotiations are expected to evolve rapidly in the coming weeks, as business organizations continue to advocate for a reassessment of Pillar Two. On 7 April 2025, for example, BusinessEurope [advocated](#) specifically for a reassessment the European Union’s (EU) approach to Pillar Two, emphasizing the need for a permanent safe harbor for simplification and urging swift action to prevent retaliatory measures that could harm European competitiveness. Therefore, businesses are seeking swift clarity from policy makers, while the risk of retaliatory measures, such as Section 891 of the US Internal Revenue Code, looms. (See EY Global Tax Alert, [Report on recent US international tax developments - 28 February 2025](#), dated 28 February 2025.)

The [coalition agreement](#) in Germany, presented on 10 April 2025, further illustrates the complexities surrounding Pillar Two. The agreement between the two parties that will form the new federal government states: “We are sticking to the minimum tax for large corporations. We support the work at international level for a permanent simplification of the minimum tax. At the same time, we assess the impact of international divergences on the global tax architecture and will also work at European level to ensure that our companies are not disadvantaged in international competition.” This joint position of the Social Democrats and Christian Democrats reflects the tension between the commitment to minimum tax rules and the need to maintain competitiveness in the face of changes to the Pillar Two architecture.

Considering this tension, negotiations may move in different directions. Therefore, it remains essential for stakeholders to closely monitor the developments, as the landscape of international tax continues to evolve. This edition of the Latest on BEPS and Beyond aims to provide insights into the most significant developments of this month.

BEPS 2.0

OECD

Inclusive Framework on BEPS releases statement on BEPS implementation, the Two-Pillar solution and items for a future agenda

On 11 April 2025, the OECD/G20 Inclusive Framework on BEPS released a brief public [statement](#) following its 17th Plenary Meeting, hosted in Cape Town, South Africa. This meeting celebrated the 10th anniversary of the final reports of the BEPS project, which were released in 2015 (BEPS 1.0).

The statement highlighted key discussion topics, including the critical importance of securing certainty and stability in the international tax system, particularly regarding the implementation of Pillar Two and the ongoing negotiations of Pillar One. Members agreed to assess the implementation of BEPS 1.0 measures to date and shared initial ideas to help shape a report anticipated to be delivered to the G20 later this year.

Looking ahead, the Inclusive Framework plans to explore emerging policy areas, such as the global mobility of workers and the interaction between tax, inequality, and growth, using a phased, evidence-based strategy. Additionally, the statement recognized the value of the Inclusive Framework as a platform for collaboration and welcomed improvements in its operating processes and governance.

See EY Global Tax Alert, [OECD/G20 Inclusive Framework issues statement following plenary meeting](#), dated 14 April 2025.

OECD updates Central Record of Legislation with Transitional Qualified Status

On 31 March 2025, the OECD released an updated version of the [Central Record](#) of Legislation with Transitional Qualified Status for the global minimum tax.

This update follows the first version released on 15 January 2025, which included legislation that had completed the transitional qualification mechanism process for the Income Inclusion Rule (IIR), Domestic Minimum Top-up Tax (DMTT), and Qualified Domestic Minimum Top-up Tax (QDMTT) Safe Harbor.

In this latest update, the OECD added Guernsey and Spain, both of which now have a Qualified IIR, a QDMTT and a QDMTT Safe Harbor. Guernsey's Qualified IIR is effective from 1 January 2025, while Spain's Qualified IIR is effective from 31 December 2023. The effective dates for their QDMTT and QDMTT Safe Harbor align with their respective Qualified IIR dates.

This update was approved by the Inclusive Framework on BEPS on 28 March 2025 and prepared for publication by the OECD Secretariat.

European Union

EU adopts Directive proposal transposing the GloBE Information Return into EU law (DAC9)

On 14 April 2025, the Council of the European Union (the Council) unanimously [adopted](#) the [revision](#) of the Directive on Administrative Cooperation (Council Directive 2011/16/EU or DAC), commonly designated as DAC9. This follows a [political agreement](#) reached on 11 April 2025.

The agreed revised version of the Directive reflects the GIR released by the OECD Inclusive Framework on BEPS 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 the authority to adopt delegated acts to amend the top-up tax information return (TTIR) standard form in response to future updates that the OECD Inclusive Framework makes to the Global anti-Base Erosion (GloBE) Information Return (GIR) standard template. As a result, changing the TTIR to align with GIR in the event of future changes will require legislative action at EU level.

In addition, unrelated to the introduction of the TTIR, the agreed text also amends reporting requirements for financial institutions for preexisting DAC reporting obligations.

The directive will enter into force the day after its publication in the *Official Journal of the EU*. Member states, including those that have opted to delay the implementation of the Minimum Tax Directive, will have until 31 December 2025 to transpose the rules into national law, with the first top-up tax reporting due by 30 June 2026.

Country developments

Belgium releases draft QDMTT return

On 10 April 2025, the Belgian tax authorities published a revised draft template of the DMTT return. The return is intended to align with the GIR template although there are some specific unique datapoints required as well.

The scope of the return is limited to information required for the DMTT, including details of the Belgian designated filing entity and other Belgian taxpayer entities (if any), the structure of the group and the ultimate parent entity, safe harbors, as well as the computation of DMTT (including elections), prepayments and the computation of the Belgian DMTT payable itself (taking into account any prepayments made). The return is structured in such a way that information is requested and computations are to be made per Belgian subgroup.

The DMTT return must be filed within 11 months after the end of the reporting year. For calendar year groups, the first filing deadline is 30 November 2025.

A finalized version of the template is expected to be published in the *Official Gazette* in due course.

Finland releases guidance on Pillar Two

On 12 March 2025, Finland issued guidance [VH/6110/00.01.00/2024](#), which incorporates the June 2024 Administrative Guidance on Pillar Two. Among other items, it explains the deferred tax liability recapture rule, the allocation of cross-border current and deferred taxes, as well as the allocation of profits and taxes for Flow-Through Entities. It also clarifies the definition of covered taxes, adjustments to deferred tax amounts, and adjustments to covered taxes from previous years.

Additionally, on 10 March 2025, Finland released guidance [VH/6109/00.01.00/2024](#), which provides an overview of the mechanics of Pillar Two. This guidance details how to identify entities subject to Pillar Two and how to calculate the Effective Tax Rate, along with information on the application of various safe harbors.

Japan implements QDMTT and UTPR legislation

On 31 March 2025, the Japanese Cabinet passed the 2025 Tax Reform Act, which, among other measures, introduces a DMTT and the Undertaxed Profits Rule (UTPR). The legislation is largely aligned with the OECD's Model Rules.

The legislation also outlines compliance requirements, including the submission of a DMTT and UTPR return within 18 months of the first fiscal year-end and within 15 months for subsequent years. No filing is required if there is no liability under either the DMTT or UTPR.

The DMTT and UTPR will apply to fiscal years starting on or after 1 April 2026. Further revisions and additional guidance on Pillar Two are expected to be considered in the 2026 tax reform and onwards.

Qatar implements Pillar Two legislation

On 27 March 2025, the State of Qatar published Law No. 22 of 2024 in the *Official Gazette*, introducing Pillar Two legislation. This legislation implements a DMTT and an IIR, both aligned with the OECD's GloBE rules.

The legislation also sets out compliance requirements, including registration for applying the IIR or DMTT for Pillar Two purposes, a notification on the filing location of the GloBE Information Return, and the submission of DMTT and IIR returns. Additionally, the legislation introduces penalties for noncompliance, covering failures to register or notify as required, as well as delays in paying or filing DMTT and IIR returns. However, transitional relief from penalties may be granted at the discretion of the authorities.

Further guidance on deadlines and administrative processes is expected through Executive Regulations or Circulars.

The DMTT and IIR will take effect from 1 January 2025.

Sweden amends Pillar Two legislation

On 20 March 2025, the Swedish Ministry of Finance released a [draft proposal](#) for consultation, outlining amendments to the existing Pillar Two legislation. The proposed changes incorporate the OECD's June 2024 Administrative Guidance and address key areas such as the allocation of cross-border current and deferred taxes, allocation of profits and taxes for Flow-Through Entities and the deferred tax liability recapture rule.

If adopted, the amendments would take effect for fiscal years starting on or after 31 December 2025, with an option for retroactive application to fiscal years beginning on or after 31 December 2023.

United Kingdom releases list of Pillar Two territories, QDMTT and Accredited QDTT

On 31 March 2025, the United Kingdom (UK) government enacted [Statutory Instrument 2025 No. 406](#), titled "The Multinational Top-up Tax (Pillar Two Territories, QDMTTs and Accredited QDTTs) Regulations 2025."

This legislation designates certain territories as Pillar Two territories and specifies which taxes qualify as QDTTs and Accredited QDTTs, along with the dates from which these classifications apply.

The regulations take effect for accounting periods beginning on or after 31 December 2023.

United Kingdom introduces the UTPR

On 20 March 2025, the UK [Finance Act 2025](#) received Royal Assent. Among other measures, it introduces the UTPR, which takes effect for fiscal years starting on or after 31 December 2024.

The Act also includes a UTPR safe harbor, provisions on the cross-border allocation of deferred tax assets and liabilities to adopt the June 2024 OECD Administrative Guidance, a deferred tax recapture rule, and amendments to other Pillar Two provisions.

United Nations

UN Intergovernmental Negotiating Committee releases roadmap and Guidelines for the Framework Convention and two early protocols

On April 4, 2025, the Intergovernmental Negotiating Committee (INC) released [guidelines for intersessional work](#), along with an initial [roadmap and working methods](#) for developing the Framework Convention and two early protocols.

Roadmap and working methods

The roadmap outlines a schedule from March 2025 to July 2027, detailing milestones, responsible entities and necessary documents. Substantive work will begin in April 2025, with three annual sessions planned from 2025 to 2027. The INC Bureau will coordinate three workstreams, each led by two Co-Leads:

- ▶ Workstream I: Framework Convention proposals
- ▶ Workstream II: Protocol on taxation of income from cross-border services
- ▶ Workstream III: Protocol on tax dispute prevention and resolution

Co-Leads will create work plans with tasks and deadlines, reporting progress to the INC Bureau. The UN Secretariat will provide support. The draft text of the Framework Convention and protocols is expected for submission to the UN General Assembly in early 2027.

Regular multi-stakeholder consultations will occur before INC Plenary sessions.

Guidelines for intersessional work

The guidelines establish procedures for workstream efficiency. Co-Leads must create meeting schedules and provide biweekly progress reports. Work plans should define the scope of legal instruments, identify outputs and outline task orders. Each workstream's primary output will be proposals with clear milestones. Workstreams II and III should anticipate requests for stakeholder input during the scoping phase, with a public briefing before the first substantive session. All milestones are to be completed before the first session in January 2027.

See EY Global Tax Alert, [UN negotiating committee of Framework Convention on International Tax Cooperation releases roadmap and guidelines](#), dated 15 April 2025.

BEPS and other developments

Platform for Collaboration on Tax

Platform for Collaboration on Tax released 2024 Progress Report

On 4 April 2025, the Platform for Collaboration on Tax (PCT) – a joint initiative of the International Monetary Fund (IMF), the OECD, the UN and the World Bank Group (WBG) – announced the release of its [Annual Progress Report](#), covering activities delivered in 2024.

The 2024 Progress Report outlines the main themes, activities, and outcomes of the PCT. The work program is structured around four key workstreams: Tax and the Sustainable Development Goals (SDGs), International Taxation, Medium-Term Revenue Strategy (MTRS), and Stakeholder Engagement, Dissemination and Internal Exchanges. The report highlights progress in capacity development, the review of existing toolkits, engagement with stakeholders, and preparations for future initiatives, particularly the Fourth International Conference on Financing for Development in 2025. The PCT has secured funding to continue its secretariat operations until June 2028. To this end, the PCT and its partners will develop the secretariat's future workplan and explore financing options for a new three-year mandate.

Regarding the International Taxation workstream, the Progress Report indicates that the PCT released the Tax Incentives Principles Document for public consultation in December 2024, seeking input from stakeholders, including governments, policymakers, academia, the private sector, and other tax practitioners. The document will be officially launched in 2025 through a series of regional ask-an-expert events. In parallel, the PCT will continue to develop additional guidance on tax incentives as part of the ongoing 2015 tax incentives toolkit review. Finally, the PCT will closely monitor developments in international taxation and identify areas requiring further collaborative efforts.

Country developments

Austria updates its Transfer Pricing Guidelines

On 13 March 2025, the Ministry of Finance of Austria published the Maintenance Decree 2025 to the Austrian Transfer Pricing Guidelines 2021 - [Maintenance Decree 2025](#) (the Decree).

The Decree introduces several key changes primarily focused on aligning with the 2022 version of the OECD Transfer Pricing Guidelines and at the same time the updates provide an indication of focus areas in future tax field audits.

Notably, the Decree clarifies the cost basis for applying cost-based methods to transitory items and emphasizes the importance of comparability in accounting standards within the framework of the comparability analysis. Additionally, it addresses shareholder activities, their interaction with deduction prohibitions under the Corporate Tax Act and the need to charge related costs to the shareholder, in whose interest such costs occurred.

Further clarifications include the significance of group ratings for individual companies and possible circumstances enabling a deviation from the group rating, the assessment of the short-term nature of cash pooling deposits, the assessment of intra-group cash pooling agreements on a transactional basis and the treatment of sureties and guarantees. The Decree also elaborates on the remuneration for an internal group contract research (i.e., providing input on which cases should apply cost-based remuneration for the contract researcher and the substance needed to be available with regard to the research function), changes in group structures over multiple financial years, and the determination of arm's-length compensation during

reorganizations. Further, the Decree clarifies the Austrian tax authorities' general expectation that governmental subsidies (e.g., research premium, COVID-19 subsidies) should not be passed on to foreign related transaction partners without proof that the benefit would also be passed on to unrelated transactions partners.

Lastly, the Decree incorporates additions regarding permanent establishment questions (e.g., sales agent PE, preparatory activities, treatment of PEs without personnel) and regarding country-by-country reporting based on latest OECD guidance.

Overall, references to the OECD Transfer Pricing Guidelines 2022 are updated.

The Decree took effect on the date of its publication. However, as most of the updates are considered clarifications of already existing administrative practices it is expected that those clarifications are also applied for past years.

Finland Ministry of Finance launches public consultation on draft proposal amending interest deduction limitation provisions

On 9 April 2025, the Ministry of Finance of Finland launched a [public consultation](#) on the draft proposal to amend the interest deduction limitation rules. The draft rules allow, under specific conditions, entities that qualify as critical actors, as referred to in the Critical Entities Resilience (CER) Directive ((EU) 2022/2557), to deduct additional net interest expenses, provided they arise from loans financing long-term infrastructure projects essential for security of supply. These expenses would otherwise be nondeductible under the interest deduction limitation provisions implementing the Anti-Tax Avoidance Directive I (ATAD I) into Finnish law. Under the CER Directive, entities that qualify as critical actors must be identified by 17 July 2026.

The draft rules are in line with ATAD I, which permits exceptions to interest deduction limitations for public infrastructure projects. Finland intends to engage in discussions with the European Commission to ensure that these provisions do not constitute State aid.

Stakeholders are invited to provide input by 30 May 2025. The law is expected to be enacted promptly, contingent upon discussions with the Commission confirming that the rules do not constitute State aid and the implementation timeline of the CER Directive.

German Federal Central Tax Office publishes new fact sheet on eligibility for relief under anti-treaty shopping rule

On 17 March 2025, the German Federal Central Tax Office (FCTO) published an update to the fact sheet on the eligibility for an exemption or refund of withholding tax (WHT), applicable to dividends under the German anti-treaty shopping rule.

According to German law, obtaining WHT relief requires pre-clearance from the FCTO through an electronic application for a WHT exemption certificate or refund, demonstrating that the applicant is entitled to such benefits and meets the anti-treaty shopping requirements. The anti-treaty shopping rule was significantly amended in 2021 and targets structures involving entities in jurisdictions that allow relief from German WHT while the ultimate owner is not entitled to benefit from such relief.

Although not legally binding, the fact sheet provides insights on the tax authorities' review of personal eligibility for a relief and the stock exchange clause in practice.

Personal eligibility

Based on the amended anti-treaty shopping rule, an entity qualifies for WHT relief if its shareholder would be eligible for the same benefit if the income were received directly. The 2021 amendment introduced uncertainty regarding whether eligibility is based on the same legal basis or the same quantitative claim. The updated fact sheet confirms that the same quantitative claim is decisive.

Stock exchange clause

Based on the stock exchange clause, the dividend recipient would also be eligible for WHT relief if the recipient is personally entitled to treaty benefits but otherwise fails to meet the requirements of the German anti-treaty shopping rule, provided the shares are materially and regularly traded on a recognized stock exchange. The fact sheet illustrates the clause's application, stating it applies if a direct or indirect 100% shareholder of the dividend recipient is publicly traded, requiring that the publicly traded entity and all entities in the shareholder chain have an identical or higher quantitative WHT relief claim than the dividend recipient. This confirms the look-through approach for the stock exchange clause.

See EY Global Tax Alert, [German Federal Central Tax Office publishes new fact sheet on eligibility for relief under anti-treaty shopping rule](#), dated 20 March 2025.

Germany announces extension of consultation agreement on DTA with Switzerland, allowing continued arbitration

On 28 March 2025, the Federal Ministry of Finance of Germany announced the extension of the [consultation agreement](#) regarding the Double Tax Agreement (DTA) with Switzerland. The extension of the consultation agreement, initially established on 21 December 2016 and amended on 25 October 2019, allows for continued arbitration in tax disputes between the Germany and Switzerland.

The amendments include the removal of a clause that previously restricted certain cases from arbitration and the introduction of a provision permitting either competent authority to terminate the agreement with a six-month notice at the end of a calendar year. In any case, disputes are excluded from arbitration if the taxpayer has made false statements or has failed to disclose relevant information in tax proceedings. This exclusion is particularly relevant if a court or administrative authority has determined that the taxpayer has violated tax regulations or has been subject to significant penalties as a result of noncompliance.

India issues press release clarifying application of Circular on the application of the PPT

On 15 March 2025, the Central Board of Direct Taxes (CBDT) of India issued a [Press Release](#) regarding Circular 01/2025, which was issued on 21 January 2025.

Broadly, the Circular provides guidance on the application of the Principal Purpose Test (PPT) provisions within the framework of India's Double Taxation Agreements (DTAs), specifying that the PPT provisions are to be applied prospectively from either: (i) the date of entry into force of the treaty or amending protocol that introduced the PPT as a result of bilateral negotiations, or (ii) the effective date of the provisions that incorporate the PPT into the treaty through the Multilateral Instrument. The Circular also clarifies that the grandfathering benefit provided in the Capital Gains Article of the Indian tax treaties with Mauritius, Singapore and Cyprus will remain outside the purview of the PPT and instead be governed by specific provisions of the respective tax treaty.

The press release indicates that Circular 01/2025 applies exclusively to Indian DTAs that contain the PPT provision and is not intended to interfere with or interact with other treaty provisions, such as those related to treaty entitlement or denial of treaty benefits. Furthermore, the CBDT emphasizes that Circular 01/2025 does not affect domestic anti-abuse rules, including the General Anti-Abuse Rule, Specific Anti-Abuse Rules, or Judicial Anti-Abuse Rules, which continue to operate independently.

Additionally, according to the CBDT, the Press Release does not introduce any new legal interpretations but reaffirms the existing legal framework, ensuring that the guidance remains focused solely on the PPT provision.

See EY Global Tax Alert, [India tax administration issues guidance on application of Principal Purpose Test](#), dated 24 January 2025.

Malta issues updated MAP guidelines

On 11 March 2025, the Commissioner for Tax and Customs of Malta released updated [guidelines](#) regarding the mutual agreement procedure (MAP). The guidelines outline the procedural framework for resolving international tax disputes arising from the interpretation or application of tax treaties between Malta and other contracting states.

Among others, the guidelines specify that the competent authority in Malta is the Minister of Finance or an authorized representative, who will engage with foreign counterparts on tax treaty matters. In addition, the guidelines clarify that the MAP serves as a dispute resolution mechanism, allowing taxpayers to seek resolution irrespective of domestic law remedies.

The guidelines detail the circumstances under which access to the MAP is granted, the process for submitting requests, and the minimum information requirements for a MAP request.

Upon resolution of a MAP, the competent authority will inform the taxpayer of the outcome. Should the resolution be unsatisfactory, taxpayers retain the right to withdraw and pursue appeals. During the MAP process, the disputed tax amount may be suspended.

Moldova amends Transfer Pricing regulations introducing APA framework

On 14 March 2025, the Ministry of Finance of Moldova announced amendments to the Transfer Pricing regulations regarding the Advance Pricing Agreements (APAs) provisions as part of Order No. 21, which amends Order No. 9/2024. These changes are designed to enhance compliance with international standards and improve the clarity and efficiency of the APA process.

One of the primary changes is the introduction of a more structured framework for requesting and issuing APAs. The revised regulations specify that both resident taxpayers and foreign entities with permanent establishments in Moldova can apply for APAs. This broadens the scope of entities eligible for such agreements.

The amendments also clarify the procedural requirements for submitting an APA request. Taxpayers are now required to provide comprehensive information, including details about the organizational structure, the nature of the transactions involved, and the economic analysis supporting the proposed pricing methods. Additionally, the revised regulations emphasize the importance of preliminary discussions between taxpayers and the State Tax Service before submitting a formal APA request.

The timeframe for processing APA requests has also been defined. The Ministry has established that the State Tax Service must respond (i) to unilateral APA requests within six months, (ii) to bilateral APA requests within 12 months and (iii) to multilateral APA requests within 18 months from the date of submission. This change is expected to enhance the predictability of the APA process, making it more attractive for businesses seeking certainty in their transfer pricing arrangements.

Furthermore, the amendments allow for the electronic submission of APA requests and related documentation, which is intended to simplify compliance and reduce administrative burdens on taxpayers.

These amendments entered into force on 14 March 2025; those related to APA are applicable starting from the fiscal year 2025.

Moldova State Tax Service clarifies income adjustment rules for transactions in line with the arm's-length principle

On 20 February 2025, the Republic of Moldova's State Tax Service (STS) announced [clarifications](#) regarding the adjustment of income for certain transactions in relation to the arm's-length principle. Effective from the tax year 2024, companies will be exempt from adjusting their income for tax purposes to the market price if the arm's-length principle has been applied in determining the transaction price.

According to Article 21 (6) of the Tax Code, income derived from transactions with individuals who are founders or interdependent persons, conducted at prices below market value, typically necessitates an adjustment to market price for tax calculations. However, this adjustment will not be necessary for transactions adhering to the arm's-length principle or those governed by Article 19 concerning fringe benefits.

Polish Minister of Finance issues General Interpretation regarding legal professional privilege in MDR provisions

On 7 March 2025, the Polish Minister of Finance published a General Interpretation (No. DTS5.8092.2.2025, dated 5 March 2025) regarding the legal professional privilege (LPP) of promoters and service providers in the context of the Mandatory Disclosure Rules (MDR).

The General Interpretation indicates that, in light of two rulings by the Court of Justice of the EU (CJEU), the designation "legal professional privilege" (LPP) pertains solely to the professional privilege of lawyers (advocates) and legal advisors - not to all promoters obligated to maintain LPP under national regulations.

The General Interpretation further states that under national MDR regulations, the CJEU rulings should be understood to mean that tax advisors and patent attorneys have the same rights related to LPP as lawyers and legal advisors (because they also have the right to represent clients in court). Consequently, this implies that they are obligated to notify other entities about the necessity of such reporting (86b section 4 and 5, 86d section 5 of the Tax Ordinance), rather than being obligated to report a tax arrangement to the Head of the National Revenue Administration (86b section 1, 86d section 1 of the Tax Ordinance).

Conversely, entities and professions that, under national laws, are not authorized to represent clients in court are not exempted from reporting a tax arrangement in Poland as a promoter or a service provider.

Currently, there is a draft proposal for amendments to the MDR regime in Poland. We can expect more detailed information on this matter in the near future.

See EY Global Tax Alert, [Polish Minister of Finance issues General Interpretation regarding legal professional privilege in MDR provisions](#), dated 20 March 2025.

Peruvian Congress ratifies the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS (MLI)

On 13 March 2025, the Peruvian Congress approved the initiative ratifying the country's adherence to the MLI, established by the OECD.

However, for the MLI to be fully integrated into Peru's national legal framework, it must be ratified by the Executive Branch and subsequently published in the *Official Gazette, El Peruano*. After this, Peru will need to deposit the ratification instrument with the OECD to trigger the MLI's international entry into force.

Implementation of the MLI is expected to modernize Peru's network of Double Tax Treaties (DTT) by adjusting the treaties covered under the MLI. The adjustments are likely to take effect as of 1 January 2026.

Peru's DTT network currently includes treaties with Brazil, Canada, Chile, Japan, Korea, Mexico, Portugal, Switzerland and the Andean Community (comprising Bolivia, Colombia and Ecuador). However, it is important to note that the treaties with Japan and the Andean Community will not be adjusted through the MLI from the Peruvian standpoint, as they have not been selected as covered treaties.

See EY Global Tax Alert, [Peruvian Congress ratifies the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS \(MLI\)](#), dated 17 March 2025.

Switzerland updates list of jurisdictions for the automatic exchange of CbC information

On 28 March 2025, the Directorate of Public International Law of Switzerland published an [updated list](#) (RO 2025 55) of jurisdictions for the Exchange of Country-by-Country (CbC) reports under the Multilateral Competent Authority Agreement on Automatic Exchange of CbC Reports (CbC MCAA). Compared to the previous update, Switzerland added to the list Dominican Republic and Vietnam, with effect from 1 January 2024, and Trinidad and Tobago, with effect from 1 January 2025.

Trinidad and Tobago, along with Vietnam, are classified as permanently non-reciprocal jurisdictions, meaning they do not receive CbC reports from Switzerland.

The updated list came into effect on 1 March 2025, superseding the earlier version released on 1 December 2024.

UK HMRC allows for unilateral APAs to provide certainty on cost contribution arrangements

On 26 March 2025, the UK government (through His Majesty's Treasury) [issued](#) a formal consultation on developing a new process to give major investment projects increased tax certainty in advance. That consultation will run for 12 weeks and close on 17 June 2025.

Within that consultation, Chapter 5 announced the launch of a process for advanced agreements on the tax treatment of cost contribution arrangements (CCAs) to be offered through unilateral APAs using existing legislation. These agreements will ensure a common framework for discussion between HMRC and the taxpayer on the treatment and recognition of CCA arrangements with the aim of reducing the potential for instances of double taxation in the event of any transfer pricing adjustment. The expectation is that, due to the nature of the issue covered by this type of unilateral APA (recognition of the CCA, and not the pricing of transactions), the process will be substantially faster than a typical APA negotiation.

HMRC is expected to publish an updated Statement of Practice, detailing the necessary conditions for entering into unilateral APAs related to CCAs in Spring 2025. Key considerations for granting these clearances will include the commercial viability of the CCA and the expected profitability of the UK participant over the term of the arrangement.

See EY Global Tax Alert, [UK HMRC allows for unilateral APAs to provide certainty on cost contribution arrangements](#), dated 4 April 2025.

UK HMRC launches public consultation on proposed measures to combat marketed tax avoidance schemes

On 26 March 2025, HM Revenue and Customs (HMRC) released a [public consultation](#) detailing proposed measures to combat marketed tax avoidance schemes. The consultation seeks public feedback on several key initiatives aimed at enhancing HMRC's enforcement capabilities.

The first proposal involves expanding the Disclosure of Tax Avoidance Schemes (DOTAS) regime to include a broader range of tax arrangements, thereby increasing the obligation for promoters to disclose schemes that may offer tax advantages. Additionally, the introduction of Universal Stop Notices (USNs) is proposed, which would require all individuals and entities to immediately cease promoting or enabling schemes that fall under the notice's scope.

Another proposal is the implementation of Promoter Action Notices (PANs), which would legally compel businesses to stop providing products or services to promoters of tax avoidance.

Furthermore, the consultation emphasizes the need for stronger information powers, allowing HMRC to effectively investigate the individuals and entities behind promoter organizations. This includes the potential for new obligations on legal professionals involved in the design and promotion of tax avoidance schemes, ensuring that they are held accountable for their roles.

The consultation invites responses until 18 June 2025, after which HMRC will analyze the feedback and publish a report outlining the next steps for implementing these proposed measures.

For additional information with respect to this Alert, please contact the following:

Ernst & Young LLP (United States), Global Tax Desk Network, New York

- ▶ Ana Mingramm ana.mingramm@ey.com
- ▶ Jose A. (Jano) Bustos joseantonio.bustos@ey.com
- ▶ Roberto Aviles Gutierrez roberto.aviles.gutierrez1@ey.com

Ernst & Young Belastingadviseurs LLP, Rotterdam

- ▶ Marlies de Ruiter marlies.de.ruiter@nl.ey.com
- ▶ Maikel Evers maikel.evers@nl.ey.com
- ▶ Mahi Anastasiou mahi.anastasiou@nl.ey.com

Ernst & Young Belastingadviseurs LLP, Amsterdam

- ▶ David Corredor-Velásquez david.corredor.velasquez@nl.ey.com
- ▶ Konstantina Tsilimigka konstantina.tsilimigka@nl.ey.com

About EY

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

© 2025 EYGM Limited.
All Rights Reserved.

EYG no. 003117-25Gbl

1508-1600216 NY
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com