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EU JOINT TRANSFER PRICING FORUM

Statistics on Pending Mutual Agreement Procedures (MAPs) under the Arbitration Convention at the end of 2012

Contact:

Hartmut Förster, Telephone (32-2) 29.55.511

Julia Topalova, Telephone (32-2) 29.59.311

E-mail: taxud-joint-transfer-pricing-forum@ec.europa.eu

TABLE 1: STATISTICS ON THE FUNCTIONING OF THE ARBITRATION CONVENTION FOR REFERENCE YEAR 2012

Summary

Member State	Opening inventory on 01/01/2012	Cases initiated in 2012	Cases completed in 2012	Ending inventory on 31/12/2012	Average cycle time for cases completed in 2012 (in months)
	B	C	D	E	F
BE	22	7	7	22	38
BG	0	0	0	0	
CZ	7	3	5	5	21
DK	30	10	8	32	25
DE ¹⁾	192	77	40	229	
EE	0	0	0	0	
IE	13	1	4	10	
EL	2	1	0	3	
ES	57	19	15	61	47
FR	174	30	47	157	
IT ²⁾	79	34	2	111	
CY	0	0	0	0	
LV	0	0	0	0	
LT	0	0	0	0	
LU	3	3	1	5	9
HU	5	0	0	5	
MT	0	0	0	0	
NL	37	14	18	33	33
AT	19	7	5	21	
PL	13	1	4	10	18
PT	16	2	1	17	27
RO	1	2	0	3	
SI	0	1	0	1	
SK	2	0	0	2	
FI	17	10	0	27	
SE	28	21	12	37	34
UK	63	16	22	57	26.4
TOTAL	780	259	191	848	

1) Remark by Germany: *Please note that the German competent authority (CA) internal case database does currently not allow to record "initiated" and "completed" dates following OECD and JTPF definitions. While for earlier reporting periods (up to 2010) considerable efforts were made to specifically prepare separate statistics for OECD purposes, the need for a streamlining of resources is currently not permitting to produce additional statistics based on OECD definitions. Therefore the German CA can currently only provide statistics based on the "initiated" and "completed" dates used for internal purposes. Consequently, the "initiated" and "completed" standards used in the reported statistics differ from OECD and JTPF definitions. Under the definition applied by the German CA, a case is treated as open as soon as the German CA receives a request (regardless of whether it is a request that already contains the necessary minimum information or not, which is earlier than under the OECD and JTPF definition of "initiated"), and generally until implementation of an agreement is reported back to the CA (which is later than under the OECD and JTPF definition of "completed"). These definitions result in a larger MAP case inventory and make cases appear older than under OECD/JTPF definitions. This should be born in mind when comparing the German 2012 figures with pre-2011 figures and statistics provided by other countries. Due to the same issue, reporting cycle times following OECD/JTPF definitions and thus suitable for direct comparison is currently not feasible.*

2) Remark by Italy: *the Italian Competent Authority internal AC MAPs database does currently not allow to record "initiated" date following JTPF present definition.*

The "initiated" date in the Italian database is:

- a) the date when the Italian Competent Authority receives a request submitted by the taxpayer (regardless of whether it is a request that already contains the necessary minimum information - as stated under point 5a of the code of conduct - or not) or*
- b) the date when the Italian Competent Authority receives the letter by the other Competent Authority (this is in case the AC MAP request is presented to the other Competent Authority)*

This definition makes cases appear older than under JTPF definition.

Explanatory note:

Column B / Opening inventory on 01/01/2012: Enter in this column the number of pending AC MAP cases as on the first day of the reference year for which data is being provided, i.e. 01/01/2012. (The figures in this column will duplicate the "ending inventory" figures included in the respective column for the previous reference year.) The total number of pending AC MAP cases should be broken down according to the year in which these pending cases were initiated and reported in the appropriate row of the template. (see Column A: Year MAP cases were initiated). The reference year cell is blacked out, as 2012 cases could have only been initiated during the actual reference year, not before.

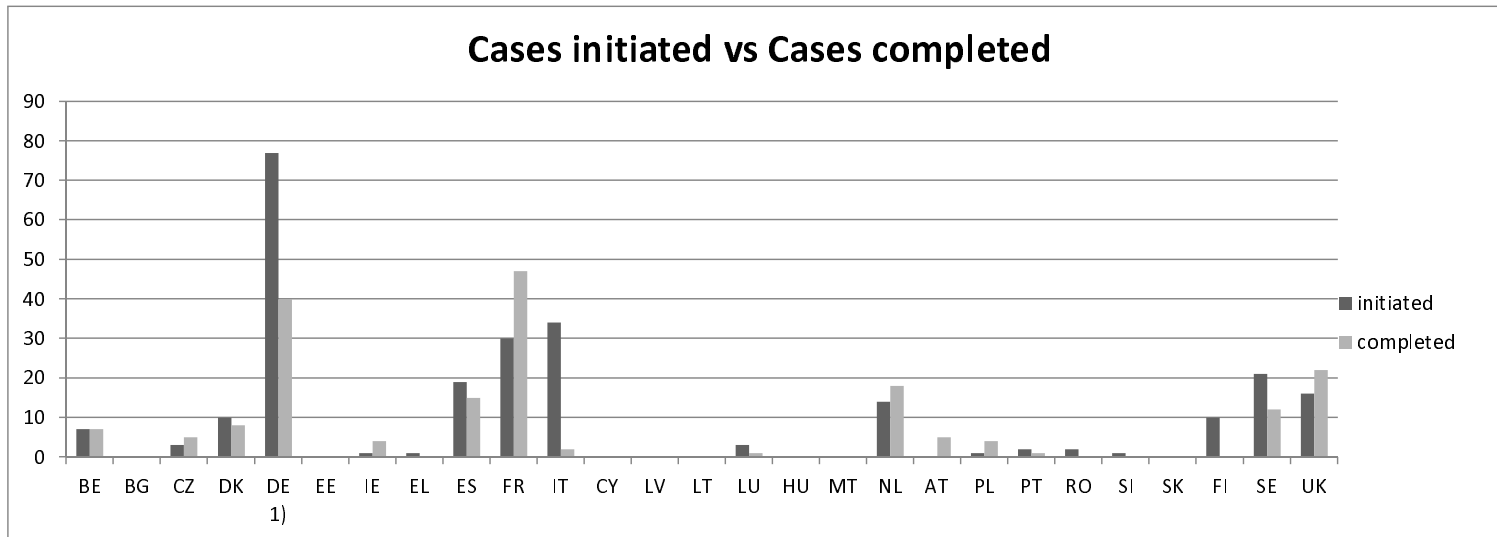
Column C / Cases initiated in 2012: Enter in this column the number of AC MAP cases initiated during the reference year. Note that it is only possible to enter data in this column in the row for the reference year for which statistics are being provided (the other rows in this column are blacked out), given that pending AC MAP cases initiated in earlier reference years should be reported in Column B. **An "initiated" case** is one that has been considered as well-founded by a competent authority on the basis of 6.3(g) of the CoC. By definition this column will include only cases initiated during the current reference year. A case initiated by the reporting CA but rejected by the other CA has to be included in table 1.

Column D / Cases completed in 2012: Enter in this column the number of cases: (1) that have been resolved by mutual agreement (including arbitration) or by unilateral action on the part of the competent authority, where taxation not in accordance with Article 4 of the AC has been eliminated in line with Article 14 of the AC; (2) that have been withdrawn by the taxpayer; (3) that have been closed otherwise (e.g. final Court decision). A case shall be considered completed on the date the closing letters relating to the MAP have been exchanged or, in absence of closing letters, at the date the CAs closed the case during a bilateral meeting where there has been an agreement that the signed minutes close the case and no further closing letters will be exchanged. At this point, the only remaining action by the tax administration should be the processing of the result of the resolution, which should be accomplished fairly promptly (e.g. within 30 days).

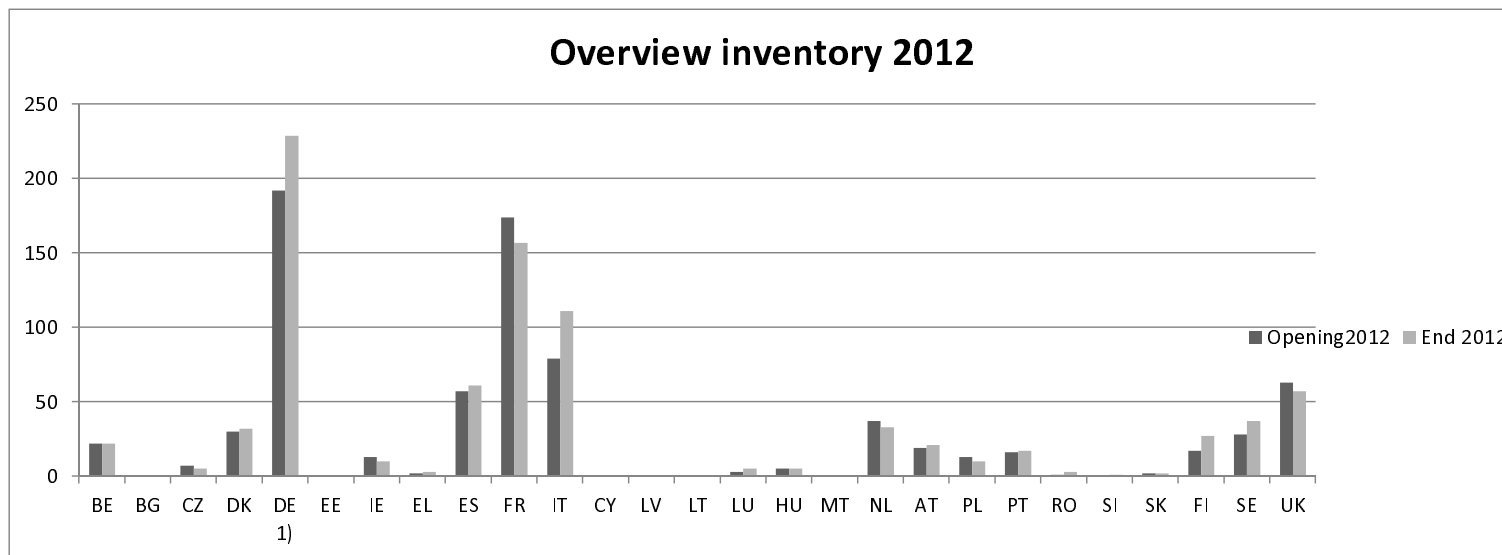
Column E / Ending inventory on 31/12/2012: Enter in this column the number of pending AC MAP cases as on 31/12/2012. The total number of pending MAP cases should be broken down according to the year in which these pending cases were initiated and reported in the appropriate row of the template. The figures presented here will be reported in the "opening inventory" column of the questionnaire for the next reference year. The figures in this column are obtained by adding the figures in columns B and C and by subtracting the figures in column D.

Column F / Average cycle time for cases completed during the reference year (in months): Enter in this column the average time for AC MAP cases to be completed. This average is computed with reference to the year in which AC MAP cases were initiated (i.e. the cycle time is for AC MAP cases initiated in a particular year) and reported in the appropriate row of the template. The average is computed by aggregating the number of months it took to complete each AC MAP case during the reference year. The second step is to divide this aggregated number of months by the total number of such completed AC MAP cases. The result is the average cycle time of a MAP case in months – that is, the average number of months to complete an AC MAP case.

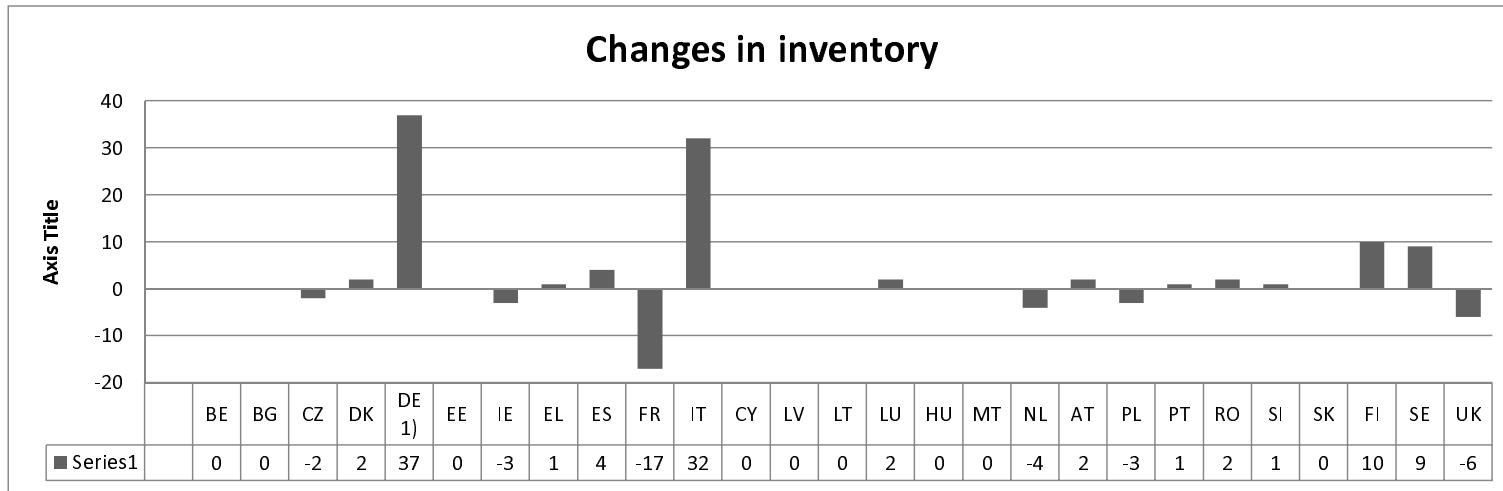
1. Overview - Cases initiated vs. Cases completed in 2012



2. Overview - inventory beginning vs. end 2012



3. Overview - Changes in inventory (increase / decrease)



4. Global overview - Changes in inventory

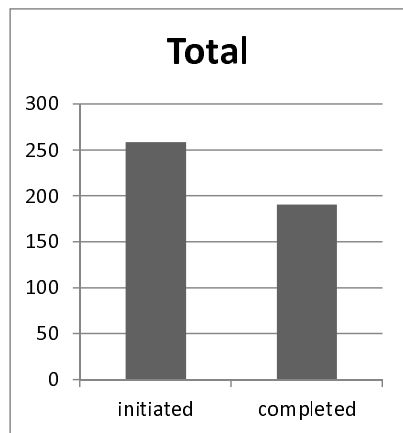


TABLE 2: ANALYSIS OF PENDING CASES 2 YEARS AFTER THE DATE A CASE WAS INITIATED AS AT 31/12/2012

Summary

Member State	Number of cases	Reasons why cases are pending 2 years after initiation						
		2-year point not reached due to Coc 5 (b) (i)	cases pending before court	Time limit waived with taxpayer's agreement	To be sent to Arbitration	In Arbitration	Settlement agreed in principle, awaiting exchange of closing letters for MAP	Other reasons
		B	C	D	E	F	G	H
BE	12	3	1	3	1	0	3	1
BG	0	0	0	0	0	0	0	0
CZ	0	0	0	0	0	0	0	0
DK	4	0	2	2	0	0	0	0
DE ^{1) 2)}	91	7	13	4	0	0	23	44
EE	0	0	0	0	0	0	0	0
IE	6	0	0	5	0	0	0	1
EL ³⁾	1	0	0	0	0	0	0	1
ES	32	0	4	0	0	0	4	24
FR	81	0	8	57	3	0	13	0
IT	21	0	13	0	0	0	0	8
CY	0	0	0	0	0	0	0	0
LV	0	0	0	0	0	0	0	0
LT	0	0	0	0	0	0	0	0
LU	2	0	2	0	0	0	0	0
HU	3	3	0	0	0	0	0	0
MT	0	0	0	0	0	0	0	0
NL	8	1	1	1	0	0	0	5
AT	8	0	2	1	0	0	0	5
PL	6	1	0	0	0	0	1	4
PT ⁴⁾	12	3	2	0	0	0	0	7
RO	0	0	0	0	0	0	0	0
SI	0	0	0	0	0	0	0	0
SK	1	1	0	0	0	0	0	0
FI	9	0	3	0	0	1	0	5
SE	10	0	4	0	1	1	0	4
UK	21	0	6	0	0	0	1	14
TOTAL	328	19	61	73	5	2	45	123

- 1) Remark by Germany: *Please note that the German competent authority (CA) internal case database does currently not allow to record "initiated" and "completed" dates following OECD and JTPF definitions (see also the footnote below Table 1). The figures provided here are based on the "initiated" and "completed" dates used for internal purposes. Under the definition applied by the German CA, a case is treated as open as soon as the German CA receives a request (regardless of whether it already contains the necessary minimum information or not, which is earlier than under the OECD and JTPF definition of "initiated"), and generally until implementation of an agreement is reported back to the CA (which is later than under the OECD and JTPF definition of "completed"). These definitions result in a larger MAP case inventory and make cases appear older than under OECD/JTPF definitions. This should be born in mind when comparing the German 2012 figures with statistics provided by other countries.*
- 2) Remark by Germany: *Of the 44 cases reported under "other reasons", there are 10 cases for which the application was received in 2010 and for which the 2-year-period had not started yet in 2010 because the German CA requested additional information (Code of Conduct point 5 (b) (ii)). In the remaining 34 cases, the 2-year-period had indeed expired on 31/12/2012. In 6 of the cases, settlement appeared imminent at the end of the year and was in fact reached in the meanwhile (i.e. before May 2013). In most of the other 28 cases, sending them to arbitration did not appear meaningful because there had not been an exchange of position papers yet. In roughly half of these cases, the German CA was either still waiting for the first position paper of the CA of the country where the primary adjustment had been made, or had received such first position paper only very recently. In other cases the German side (the CA and/or the local or regional office from which a statement was expected) appeared mainly or partly responsible for the delay, generally due to resources issues (leaving staff which could not immediately be replaced, longer illnesses etc).*
- 3) Remark by Greece: *Decision on whether this case constitutes a serious penalty or not is pending.*
- 4) Remark by Portugal: *The cases referred to in column I - "Other Reasons" concern cases that are waiting for the schedule of the face to face meetings.*

Explanatory note:

Column B / Number of cases: please note that years 2011 and 2012 are blacked out because the 2-year period cannot have expired on 31/12/2012.

Column C / Two year point not reached due to CoC 5(b)(i): the 2-year period starts on the latest of the following dates: (i) the date of the tax assesment notice, i.e. a final decision of the tax administration on the additional income or equivalent; (ii) the date on which the competent authority receives the request and the minimum information as stated under point 5(a). Thus, if the tax assessment notice (as defined in 5(b)(i)) was not yet issued when the case was initiated, the 2 year period starts some time after initiation, at the the day of the tax assessment notice

Column D / Cases pending before Court: this column covers cases where 2-year period has not yet expired because of Article 7(1) (2nd sentence) of AC and Article 7(3) of AC

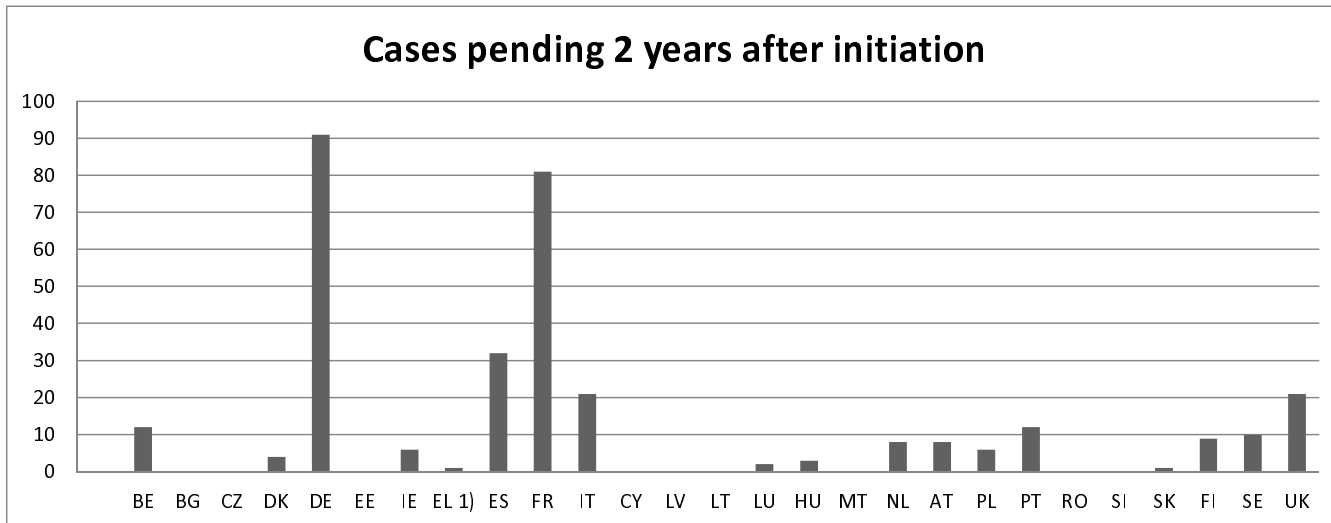
Column E / Time limit waived with agreement of the taxpayer: see Article 7(4) of AC

Column F / To be sent to arbitration: to include cases for which the 2-year period has expired, but which have not been referred to an advisory commission

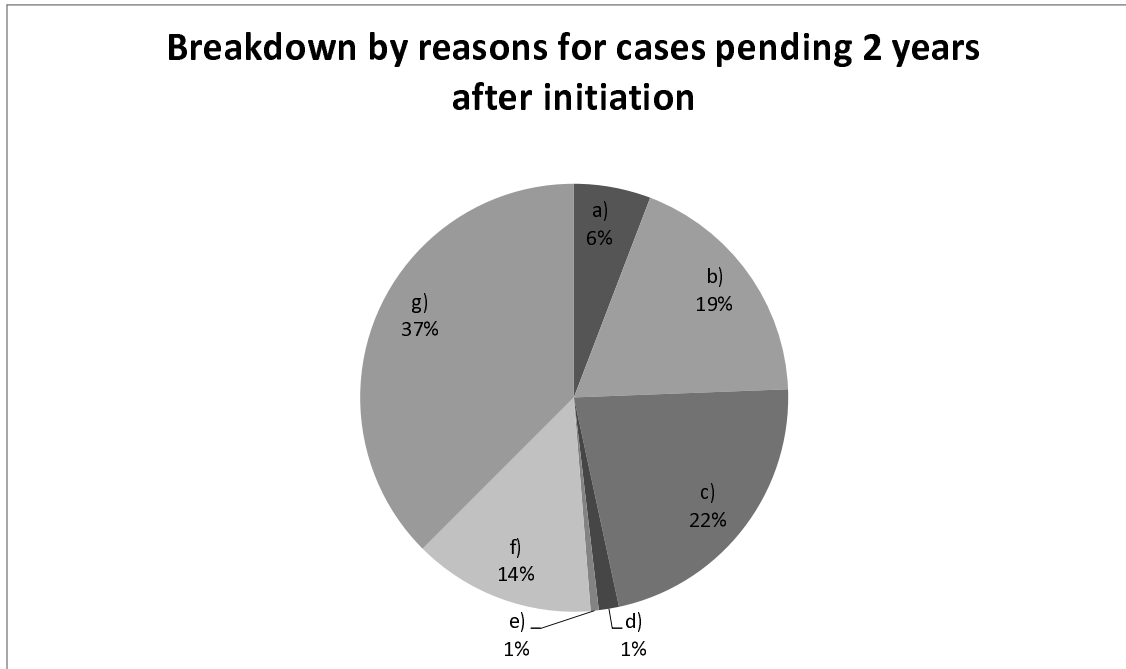
Column G / In arbitration: to include cases referred to an advisory commission and awaiting its opinion

Column H / Settlement agreed in principle, awaiting exchange of closing letters for MAP (or, in absence of closing letters - signed minutes following a bilateral meeting between CAs where there has been an agreement that the signed minutes close the case and no further closing letters will be exchanged): to include cases (i) where CA have agreed MAP; (ii) where the advisory commission has delivered its opinion and the 6-month period where CA can deviate has not yet expired

1. Overview of cases pending 2 years after initiation



2. Overview - breakdown by reasons for cases pending 2 years after initiation



- a) 2-year point not reached due to Coc 5 (b) (i)
- b) Cases pending before court
- c) Time limit waived with taxpayer's agreement
- d) To be sent to Arbitration
- e) In Arbitration
- f) Settlement agreed in principle, awaiting exchange of closing letters for MAP
- g) Other reasons

TABLE 3: REQUESTS REJECTED IN 2012

Summary

Rejected requests submitted to reporting CA

Member State	Reasons for rejection				TOTAL
	Cases not presented within 3-year period	Cases not within AC scope	Cases with serious penalty	Other reasons	
BE	0	0	0	0	0
BG	0	0	0	0	0
CZ	0	0	0	1	1
DK	0	0	0	0	0
DE	0	0	0	0	0
EE	0	0	0	0	0
IE	0	0	0	0	0
EL	0	0	0	0	0
ES	0	0	0	0	0
FR	0	0	0	0	0
IT	0	1	0	0	1
CY	0	0	0	0	0
LV	0	0	0	0	0
LT	0	0	0	0	0
LU	0	0	0	0	0
HU	0	0	0	0	0
MT	0	0	0	0	0
NL	0	0	0	0	0
AT	0	0	0	0	0
PL	0	0	0	0	0
PT	0	0	0	0	0
RO	0	0	0	0	0
SI	0	0	0	0	0
SK	0	0	0	0	0
FI	0	0	0	0	0
SE	0	0	0	0	0
UK	0	0	0	0	0
TOTAL	0	1	0	1	2

Summary

Cases accepted by the reporting CA which were rejected by other CAs

Member State	Reasons for rejection				TOTAL
	Cases not presented within 3-year period	Cases not within AC scope	Cases with serious penalty	Other reasons	
BE	0	0	0	0	0
BG	0	0	0	0	0
CZ	0	0	0	0	0
DK	0	0	0	0	0
DE	0	0	0	0	0
EE	0	0	0	0	0
IE	0	0	1	0	1
EL	0	0	0	0	0
ES	0	0	0	0	0
FR	0	1	0	0	1
IT	0	0	0	0	0
CY	0	0	0	0	0
LV	0	0	0	0	0
LT	0	0	0	0	0
LU	0	0	0	0	0
HU	0	0	0	0	0
MT	0	0	0	0	0
NL	0	1	0	0	1
AT	0	0	0	0	0
PL	0	0	0	0	0
PT	0	0	0	0	0
RO	0	0	0	0	0
SI	0	0	0	0	0
SK	0	0	0	0	0
FI	0	0	0	0	0
SE	0	0	0	0	0
UK	0	0	0	0	0
TOTAL	0	2	1	0	3

Explanatory note:

This table aims to collect information on the number of cases rejected and on the reasons for rejection. Cases to be reported are those rejected by the reporting CA (and therefore not initiated), as well as those accepted by the reporting CA but rejected by the other CA involved (thus initiated but not processed further). Cases initiated by another CA and rejected by the reporting CA are reported by the CA initiating the case.

TABLE 4: Time between submission of AC MAP request and initiation of the case

Summary

Member State	Number of cases	Time from the date of AC MAP submission to the date on which a case is initiated		
		0-6 months	6-12 months	>12 months
	B	C	D	E
BE	0	0	0	0
BG	0	0	0	0
CZ	0	0	0	0
DK	10	7	3	0
DE ¹⁾	0	0	0	0
EE	0	0	0	0
IE	1	1	0	0
EL	0	0	0	0
ES	19	19	0	0
FR	30	29	1	0
IT ²⁾	0	0	0	0
CY	0	0	0	0
LV	0	0	0	0
LT	0	0	0	0
LU	3	2	1	0
HU	0	0	0	0
MT	0	0	0	0
NL	14	14	0	0
AT	7	3	0	0
PL	0	0	0	0
PT	2	1	0	1
RO	2	0	2	0
SI	0	0	0	0
SK	0	0	0	0
FI	10	10	0	0
SE	21	21	0	0
UK	16	16	0	0
TOTAL	135	123	7	1

Reason for the delay if more than 12 months between submission and initiation (1 case): information not received.

1) Remark by Germany: As explained in the footnote under Table 1, the German competent authority (CA) internal case database does currently not allow to record "initiated" and "completed" dates following OECD and JTPF definitions. Therefore the German CA can currently only provide statistics based on the "initiated" and "completed" dates used for internal purposes. Under the definition applied by the German CA, a case is treated as open as soon as the German CA receives a request (regardless of whether it is a request that already contains the necessary minimum information or not, which is earlier than under the OECD and JTPF definition of "initiated"). Consequently, currently, the submission date is identical with the date used as "initiated" date, so that the time between submission and initiation would always be zero.

2) Remark by Italy: As explained in the footnote under Table 1, the Italian Competent Authority internal AC MAPs database does currently not allow to record "initiated" date following JTPF present definition. In the Italian database there is no difference between the date of "initiation" and the date of "submission". As a consequence, for the time being, filling in Table 4 would imply to open each single file of the cases initiated in 2012, check the date of receipt of the request and calculate the time between receipt and initiation. This is the reason why table 4 has not been filled. For future statistics the problem could be overcome by adding new information to the current Competent Authority database.

Explanatory note:

Columns C to E / Time from the date of AC MAP submission to the date on which a case is initiated (in months): the purpose is to collect data for the period between the date of submission by a taxpayer of a request for AC MAP and the date on which the case is initiated (i.e. the case has been considered as well-founded by a CA on the basis of 6.3(g) of CoC). The date of submission is the date the request is received by the tax administration. Cases are divided in three categories: period between 0 and 6 months; period between 6 and 12 months; period beyond 12 months. Only cases submitted in the reporting MS should be included.