

www.vishnuias.com



Topic wise content



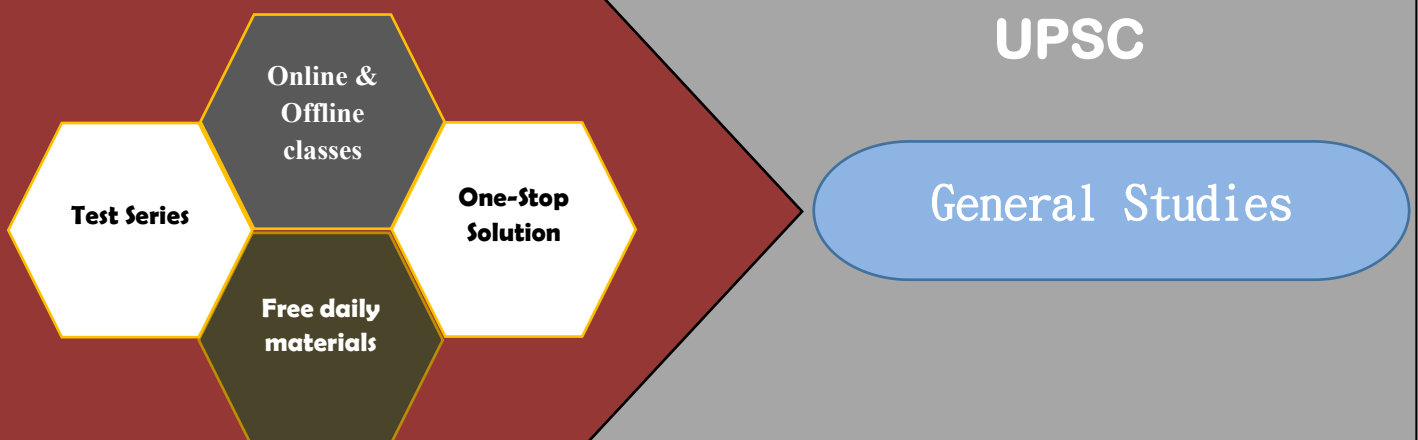
<https://t.me/vishnuiasmentor>



<https://www.youtube.com/channel>

Base Erosion and Profit Shifting (BEPS)

Notes for civil services preparation



Base Erosion and Profit Shifting (BEPS)

- BEPS is a term used to describe **tax planning strategies** that **exploit mismatches** and **gaps that exist between the tax rules of different jurisdictions.**
- It is done to **minimize the corporation tax** that is payable overall, by either making tax profits ‘disappear’ or **shift profits to low tax jurisdictions where it is little or no genuine activity.**
- In general BEPS strategies are **not illegal; rather they take advantage of different tax rules operating in different jurisdictions.**
- BEPS is of major significance for developing countries due to their heavy reliance on corporate income tax, particularly from multinational enterprises
- (MNEs).
- The BEPS initiative is an OECD initiative, approved by the G20, to identify ways of providing more standardised tax rules globally

