
Kluwer International Tax Blog

3 BEPS Years, a (Very) Personal Perspective

Raffaele Russo (Amsterdam Centre for Tax Law (ACTL) of the University of Amsterdam; Chiomenti) · Monday, March 14th, 2016

That day in November 2012

It was 5 November 2012 when G20 Finance Ministers asked for a report on the root-causes of Base Erosion and Profit Shifting, by their next meeting in February 2013. Meanwhile, the mainstream press and Parliaments around the world had started to focus on the way MNEs manage their tax affairs. Easy to do (a report on the root-cause of BEPS) but not that easy when the diagnosis has to be agreed by 40 plus countries... We had started working on “[aggressive tax planning](#)” a few years before, basically putting in touch tax administrations to share detection and response strategies to what was increasingly seen as a dangerous trend. We had the ATP directory where anonymised schemes were shared and topics for analytical reports were selected – remember hybrids, bank losses, corporate losses, after-tax hedging, mandatory disclosure rules?

The February 2013 report

Despite the short timeline and the inherent difficulties in reaching consensus on such a complex topic, the report was delivered to the G20 Finance Ministers and fully endorsed by them in February 2013. While some of us in the Secretariat thought that we could go back to a more ‘normal’ lifestyle, it was clear that this was not gonna happen: the G20 had asked for an action plan to address BEPS, and by their next meeting, in July 2013...

The July 2013 Action Plan

So BEPS became the “new normal” for many. In colloquial conversations it started being used as verb (“what are you up to?” “am Bepsing...”). And here we go trying to match a structure used to work under longer timelines with the political imperatives and strong will of ministers to act quickly. The level of commitment of government officials (and secretariat) has always amazed me, but this time was special: a number of [concrete actions](#) were identified with the understanding that everything had to put on the table, transfer pricing, tax treaties, domestic laws and any data and indicators available that would provide some clarity into the obscure world of quantifying the revenue losses due to BEPS.

The BEPS Project ?starts: September 2013

At that time most observers would have bet their house that the project would never achieve anything: too much on the table, too many countries around it, and not enough time. “Doomed to

fail”. “Announcements will not be followed by real action” and so on. Meanwhile, all the G20 countries were at the table on an equal footing, developing countries were being consulted to obtain input and feedback, and stakeholders were allowed to see progress over time, comment on the draft, criticise them and suggest alternative solutions.

A hectic year and the delivery of the first outputs

Despite the expectations of many, the first signals arrived of what political will can deliver when coupled with technical expertise. The first set of deliverables was unveiled in September 2014, showing progress in achieving consensus on some of the most difficult and innovative international tax issues, from treaty abuse to transfer pricing, hybrids and interest deductibility, the definition of permanent establishment, country-by-country reporting to name a few.

Holidays are spoiled

The 2014 deliverables had been agreed in July and some (all) of us could not wait to go on holidays and spend some time with the respective beloved ones. I decided for the first time in my life to go to an all-inclusive resort, where you are meant to do nothing and just relax (those who know me told me I would resist max 3 days...). In fact, it was even less than that. After a few days there, I receive a phone call from my brother telling me my dad had a rare form of cancer and doctors had not given him any hope. I board the first plane with the family and go back to my home town, Giugliano in Campania, near Naples.

A tough year

I was lucky enough to work with a fantastic group of people at the OECD who always supported and helped me in these tough personal times. Work proceeded at a steady pace and despite the fatigue, everyone was committed to deliver. On the personal front, I was impressed by how nice and professional many doctors are. Some of them will always remain in my heart. I cannot even count how many back and forth I did paris-naples, not seeing the kids very much and with my beautiful wife taking care of everything at home. The treatment was tough (all paid with taxpayers money, mind you). In fact several parts of the final BEPS outputs were written in a hospital room.

Decision taken

The entire CTPA management team was in Istanbul for the G20 symposium on tax issues and all of a sudden I felt the instinct to go back home. I spoke to Pascal and boarded on the first plane. I went straight to the hospital, my father died the following day and both my brother and myself were there. At that point I did not really feel like going back to work, but I did. At the same time we agreed internally that I would stay until delivery, skip summer holidays and then take a long period off.

Delivery ...

And we did deliver. The time the G20 finance ministers endorsed the BEPS package in Lima is memorable to me: one of largest press conferences ever of the G20. Full support was then reiterated by the G20 Leaders in Turkey, with an eye on what should happen next: implementation and monitoring. A topic that was only few years ago unknown to most people (who remembers the ATP reports on corporate losses, hybrids and after-tax hedging??) is now at the center stage of the political debate, and is a reflection of the changing world in which we live

these days.

... and BEPS 2.0

The success at the policy level needs now to be accompanied by success at the implementation and application levels. Capacity building will be key and hopefully we will have a system of rules that prevents double taxation and does not provide opportunities for double non-taxation. Monitored in an inclusive manner.

And now?

A new phase has **started** and I am sure it will be as impactful and transparent as the one just concluded. And that is the right time for me to take some time off. There are many things that need to be arranged back at home, particularly for someone like me who left for “a few months” ... and it was almost 20 years ago. Together with my brother I am spending some time doing mostly that, while enjoying quality time with the kids and my wife... and watch some live football games, of Napoli what else???

To make sure you do not miss out on regular updates from the Kluwer International Tax Blog, please subscribe [here](#).

Kluwer International Tax Law

The **2022 Future Ready Lawyer survey** showed that 78% of lawyers think that the emphasis for 2023 needs to be on improved efficiency and productivity. Kluwer International Tax Law is an intuitive research platform for Tax Professionals leveraging Wolters Kluwer’s top international content and practical tools to provide answers. You can easily access the tool from every preferred location. Are you, as a Tax professional, ready for the future?

Learn how **Kluwer International Tax Law** can support you.

78% of the lawyers think that the emphasis for 2023 needs to be on improved efficiency and productivity.

Discover Kluwer International Tax Law.
The intuitive research platform for Tax Professionals.



2022 SURVEY REPORT
The Wolters Kluwer Future Ready Lawyer
Leading change

This entry was posted on Monday, March 14th, 2016 at 3:28 pm and is filed under [BEPS](#), [OECD](#), [Tax Avoidance](#)

You can follow any responses to this entry through the [Comments \(RSS\)](#) feed. You can skip to the end and leave a response. Pinging is currently not allowed.