

Monaco

1. Monaco was first reviewed during the 2017/2018 peer review. This report is supplementary to Monaco's 2017/2018 peer review report (OECD, 2018^[1]). The first filing obligation for a CbC report in Monaco commences in respect of periods commencing on or after 1 January 2018.

Summary of key findings

2. Monaco's legal and domestic framework for implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017^[2]).

3. It is recommended to have the necessary processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

4. Monaco's 2017/2018 peer review included a recommendation that Monaco take steps to have qualifying competent authority arrangements in place with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Monaco has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. These agreement are now in place and the recommendation is removed.

5. Monaco's 2017/2018 peer review included a recommendation that Monaco take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Monaco now has measures in place to ensure the appropriate use of information in all six areas identified in the OECD *Guidance on the Appropriate Use of Information contained in CbC Reports* (OECD, 2017^[4]). The recommendation with respect to appropriate use issued in the 2017/2018 peer review is removed.

Part A: The domestic legal and administrative framework

6. Monaco has rules (primary law)¹ in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations.

(a) Parent entity filing obligation

7. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

8. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

9. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

10. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

11. Monaco's 2017/2018 peer review included a monitoring point concerning the fact that there was no specific process that would allow it to take appropriate measures in case Monaco is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Monaco has provided updated information, explaining that, in case that errors are detected in the CbC report, they would contact the taxpayer to fill an amended CbC report. Once a corrected CbC report has been submitted, it will then be exchanged with other jurisdictions shortly thereafter. In view of this update and specific process, the monitoring point is removed.

Conclusion

12. There is no change to the conclusion in relation to the domestic legal and administration framework for Monaco since the previous peer review. Monaco meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework*(a) Exchange of information framework*

13. Monaco's 2017/2018 peer review included a recommendation that Monaco take steps to have qualifying competent authority arrangements in place with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Monaco has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. These agreement are now in place and the recommendation is removed

14. As of 31 May 2019, Monaco has 58 bilateral relationships in place for the exchange of CbC reports activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, Monaco has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.² Regarding Monaco's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

15. Monaco has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these procedures.

(c) Completeness of exchanges

16. Monaco has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It is recommended that Monaco take steps to implement such procedures.

(d) Timeliness of exchanges

17. Monaco has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It is recommended that Monaco take steps to implement such procedures.

(e) Temporary suspension of exchange or termination of QCAA

18. Monaco does not have processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It is recommended that Monaco take steps to implement such procedures. Monaco notes that these processes will be implemented in due course.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Monaco does not have processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It is recommended that Monaco take steps to implement such procedures. Monaco notes that these processes will be implemented in due course.

(g) Format for information exchange

20. Monaco confirms that it uses the OECD XML Schema and User Guide (OECD, 2017^[3]) for the international exchange of CbC reports.

(h) Method for transmission

21. Monaco indicates that it uses the Common Transmission System to exchange CbC reports.

Conclusion

22. It is recommended that Monaco take steps to implement processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

Part C: Appropriate use

The 2017/2018 peer review included a recommendation that Monaco take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Since the 2017/2018 peer review, Monaco has provided details in relation to these measures, enabling it to answer “yes” to the additional questions on appropriate use. In light of the update provided by Monaco the recommendation on appropriate use is removed.

Conclusion

23. Monaco meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	It is recommended that Monaco take steps to have all the necessary processes and written procedures in place to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	-

Notes

¹ Monaco's primary law for CbC Reporting consists of the Sovereign Ordonnance No. 6.713 of 14 December 2017 implementing the Multilateral Agreement between Competent Authorities on the exchange of Country-by-Country Report.

² No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.



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