

## Andorra

1. Andorra was first reviewed during the 2017/2018 peer review. This report is supplementary to Andorra's 2017/2018 peer review report (OECD, 2018<sup>[1]</sup>). Since the last peer review, Andorra has introduced legislation in order to implement CbC Reporting requirements. The first filing obligation for a CbC report in Andorra applies to reporting fiscal years commencing on or after 1 January 2018.

### Summary of key findings

2. Andorra's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017<sup>[2]</sup>), except for the following:
  - It is recommended that Andorra take steps to implement processes or 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 ahead of its first exchanges of information. It is however noted that Andorra will not be exchanging CbC reports in 2019.
  - It is recommended that Andorra take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review. It is however noted that Andorra will not be exchanging CbC reports in 2019.
3. Andorra's 2017/2018 peer review included a recommendation that Andorra finalise its domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible. Andorra now has the primary law in place to impose and enforce CbC requirements. The recommendation with respect to domestic legal and administrative framework issued in the 2017/2018 peer review is removed.
4. Andorra's 2017/2018 peer review included a recommendation that Andorra take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which will meet the confidentiality, consistency and appropriate use prerequisites and with which Andorra has international agreements which allow for the automatic exchange of tax information. Bilateral relationships are now in place so the recommendation is removed.

### Part A: The domestic legal and administrative framework

5. Andorra's 2017/2018 peer review included a recommendation that Andorra implement its legislation for CbC filing requirements as soon as possible. The Law amending Law 95/2010 on Corporate Income Tax which implements CbC reporting has entered in effect as of 17 May 2018. Andorra has now legislation in place which implements the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.

***(a) Parent entity filing obligation***

6. No changes were identified with respect to the parent entity filing obligation.<sup>1</sup>

***(b) Scope and timing of parent entity filing***

7. CbC Reporting requirements apply as of 1 January 2018. No other changes were identified with respect to the scope and timing of parent entity filing.

***(c) Limitation on local filing obligation***

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

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

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

***(e) Effective implementation***

10. No changes were identified with respect to the effective implementation.

***Conclusion***

11. Since the 2017/2018 peer review, Andorra has implemented domestic legislation to impose CbC reporting requirements therefore the recommendation on that has been removed. Andorra meets all the terms of reference (OECD, 2017<sub>[2]</sub>) relating to the domestic legal and administrative framework.

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

12. Andorra's 2017/2018 peer review included a recommendation that Andorra take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which will meet the confidentiality, consistency and appropriate use prerequisites. The recommendation is now removed.

13. As of 31 May 2019 Andorra has 54 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 tax information, Andorra has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that currently meet the confidentiality, consistency and appropriate use conditions. Regarding Andorra's exchange of information framework, no inconsistencies with the terms of reference were identified.<sup>2</sup>

***(b) Content of information exchanged***

14. Andorra does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template is present in the information exchanged.

***(c) Completeness of exchanges***

15. Andorra does not have processes or written procedures 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.

***(d) Timeliness of exchanges***

16. Andorra does not have processes or written procedures 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.

***(e) Temporary suspension of exchange or termination of QCAA***

17. Andorra does not have process or written procedures 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.

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

18. Andorra does not have processes or written procedures 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.

***(g) Format for information exchange***

19. Andorra indicates that it will use the OECD XML Schema and User Guide for the international exchange of CbC reports (OECD, 2017<sup>[3]</sup>).

***(h) Method for transmission***

20. Andorra indicates that it will use the Common Transmission System to exchange CbC reports.

***Conclusion***

21. Andorra's 2017/2018 peer review included a recommendation that Andorra take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which will meet the confidentiality, consistency and appropriate use prerequisites and with which Andorra has international agreements which allow for the automatic exchange of tax information. Bilateral relationships are now in place so the recommendation is removed.

22. It is recommended that Andorra take steps to implement processes or 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 ahead of its first exchanges of information. It is however noted that Andorra will not be exchanging CbC reports in 2019.

**Part C: Appropriate use*****Appropriate use***

23. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Andorra to take steps to have measures in place relating to appropriate use remains in place. It is however noted that Andorra will not be exchanging CbC reports in 2019.

24. No information or peer input was received for the reviewed jurisdiction in respect of appropriate use.

*Conclusion*

25. The recommendation for Andorra take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remain in place. It is however noted that Andorra will not be exchanging CbC reports in 2019.

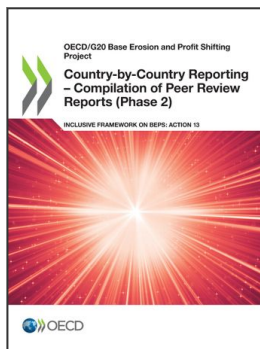
## Summary of recommendations on the implementation of country-by-country reporting

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 Andorra take steps to implement processes or 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 ahead of its first exchanges of information.
Part C	Appropriate use	It is recommended that Andorra take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

## Notes

<sup>1</sup> Andorra's 2017/2018 peer review included a monitoring point relating to the threshold calculation rule which would be applied in a manner consistent with the OECD guidance on currency fluctuations OECD (2018). This monitoring point remains in place.

<sup>2</sup> 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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