

# Greenland

1. This report is Greenland's first annual peer review report. Consistent with the agreed methodology this report covers: (i) the domestic legal and administrative framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports.
2. The first filing obligation for a CbC report in Greenland commences in respect of fiscal periods commencing on or after 1 January 2019.

## Summary of key findings

3. Greenland has legislation to impose and enforce a CbC filing requirement that meets all of the terms of reference, with the exception that:
  - It is recommended that Greenland clarify that the annual consolidated group revenue threshold calculation rule applies in line with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Greenland.
4. It is recommended that Greenland take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Greenland has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
5. It is recommended that Greenland 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 (OECD, 2017<sup>[3]</sup>) relating to the exchange of information framework ahead of the first exchanges of information.
6. It is recommended that Greenland take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

## Part A: The domestic legal and administrative framework

7. Greenland has legislation in place for implementing the BEPS Action 13 minimum standard.<sup>1</sup>

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

8. Greenland has introduced a filing requirement which applies to all Ultimate Parent Entities of MNE Groups above a certain threshold and which requires inclusion of all constituent entities.

With respect to the annual consolidated group revenue threshold where the MNE Group draws up, or would draw up, its Consolidated Financial Statements in a currency other than that specified by Greenland, the reference to Greenland's threshold has the effect as if it were a reference to the equivalent in that currency at the average exchange rate for the accounting period. While this provision would not create an issue for MNE Groups whose Ultimate Parent Entity is a tax resident in Greenland, it may be incompatible with the guidance on currency fluctuations for MNE Groups whose Ultimate Parent Entity is located in another jurisdiction, if local filing requirements were applied in respect of a Constituent Entity (which is a Greenland tax resident) of an MNE Group

which does not reach the threshold as determined in the jurisdiction of the Ultimate Parent Entity of such a Group

9. This is an unintended consequence of having a local filing requirement and it is therefore recommended that Greenland clarify that the annual consolidated group revenue threshold calculation rule applies in line with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Greenland.

10. No other inconsistencies were identified

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

11. The first filing requirements for MNE Groups in Greenland enforce a CbC filing requirement for fiscal years commencing on or after 1 January 2019 and filing is required 12 months after the reporting year end.

12. No inconsistencies were identified.

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

13. Greenland has introduced a local filing requirement which is in line with the terms of reference with regard to the circumstances in which a local filing requirement can be imposed.

14. No inconsistencies were identified.

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

15. Greenland's local filing requirements will not apply if there is surrogate filing in another jurisdiction.

16. No inconsistencies were identified.

***(e) Effective implementation***

17. Greenland has systems to ensure effective implementation of the CbC filing requirement which include a notification requirement and a penalty regime in the case of late, inaccurate or non-filing of CbC reports.

***Conclusion***

18. Greenland has legislation to impose and enforce a CbC filing requirement that meets all of the terms of reference, with the exception that:

- It is recommended that Greenland clarify that the annual consolidated group revenue threshold calculation rule applies in line with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Greenland.

## **Part B: The exchange of information framework**

***(a) Exchange of information framework***

19. As of 31 March 2020, Greenland has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Greenland take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Greenland has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.<sup>2</sup>

**(b) Content of information exchanged**

20. Greenland does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

**(c) Completeness of exchanges**

21. Greenland 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 report with which it should exchange information as per the relevant QCAA.

**(d) Timeliness of exchanges**

22. Greenland 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.

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

23. Greenland does not have processes 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 would be carried out only as per the conditions set out in the relevant QCAA.

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

24. Greenland does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

**(g) Format for information exchange**

25. Greenland has not confirmed the format that will be used for the international exchange of CbC reports.

**(h) Method for transmission**

26. Greenland has not confirmed the mechanism that it will use to exchange CbC reports.

**Conclusion**

27. It is recommended that Greenland take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Greenland has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

28. It is recommended that Greenland 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 (OECD, 2017<sup>[3]</sup>) relating to the exchange of information framework ahead of the first exchanges of information.

## Part C: Appropriate use

### **Appropriate use**

29. Greenland does not yet have measures in place relating to appropriate use.

30. It is recommended that Greenland take steps to have measures in place relating to appropriate use ahead of the first exchanges of information.

### **Conclusion**

31. It is recommended that Greenland take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information.

## 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	It is recommended that Greenland clarify that the annual consolidated group revenue threshold calculation rule applies in line with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Greenland
Part B	Exchange of information framework	It is recommended that Greenland take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Greenland has an international exchange of information agreement in effect that allows for the automatic exchange of tax information
Part B	Exchange of information framework	It is recommended that Greenland take steps to implement the necessary 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.
Part C	Appropriate use	It is recommended that Greenland take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

## References

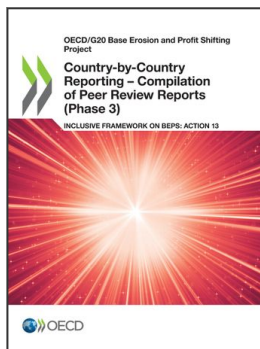
OECD (2017), *Terms of reference for the conduct of peer review of the Action 13 minimum standard on country-by-country reporting*, OECD Publishing, <https://www.oecd.org/tax/beps/beps-action-13-on-country-by-country-reporting-peer-review-documents.pdf>. [3]

## Notes

<sup>1</sup> The Danish version can be found here: <http://lovgivning.gl/lov?rid={7F2072AE-B840-4DC7-9726-17D79B879831}> (accessed on 24 August 2020).

The Greenlandic version can be found here: <http://inatsisit.gl/Lov?rid=%7b7F2072AE-B840-4DC7-9726-17D79B879831%7d&sc lang=kl-GL> (accessed on 24 August 2020).

<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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