

Bosnia and Herzegovina

Bosnia and Herzegovina is taking steps to implement the legal basis for the transparency framework and to commence administrative preparations to ensure that information on rulings will be exchanged in a timely manner, in line with the terms of reference (OECD, 2021^[3]) (ToR). Bosnia and Herzegovina receives two recommendations covering the information gathering process (ToR I.A) and exchange of information (ToR II.B) for the calendar year 2020 (year in review).

This is Bosnia and Herzegovina's first review of implementation of the transparency framework.

Bosnia and Herzegovina can legally issue five types of rulings within the scope of the transparency framework.

In practice, Bosnia and Herzegovina issued no rulings within the scope of the transparency framework.

As no exchanges were required to take place, no peer input was received in respect of the exchanges of information on rulings received from Bosnia and Herzegovina.

A. The information gathering process (ToR I.A)

150. Bosnia and Herzegovina can legally issue the following five types of rulings within the scope of the transparency framework: (i) cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles; (ii) rulings providing for unilateral downward adjustments; (iii) permanent establishment rulings; and (iv) related party conduit rulings. It is noted that the Tax Administration in the Bosnia and Herzegovina entity of Republic of Srpska is the only authority issuing rulings in scope of the FHTP work.

Past rulings (ToR I.A.1.1, I.A.1.2, I.A.2.1, I.A.2.2)

151. For Bosnia and Herzegovina, past rulings are any tax rulings issued prior to 1 March 2020. However, there is no obligation for Bosnia and Herzegovina to conduct spontaneous exchange information on past rulings.

Future rulings (ToR I.A.1.1, I.A.1.2, I.A.2.1)

152. For Bosnia and Herzegovina, future rulings are any tax rulings within scope that are issued on or after 1 March 2020.

153. No rulings were issued by Bosnia and Herzegovina during the future rulings period in the year in review. However, Bosnia and Herzegovina indicates that there are not yet processes in place to ensure the implementation of the obligations relating to the transparency framework.

Review and supervision (ToR I.A.3)

154. Bosnia and Herzegovina did not yet have a review and supervision mechanism under the transparency framework for the year in review.

Conclusion on section A

155. Bosnia and Herzegovina is recommended to ensure that it has put in place an effective information gathering process to identify all relevant future rulings and all potential exchange jurisdictions and to implement a review and supervision mechanism, as soon as possible (ToR I.A).

B. The exchange of information (ToR II.B)

Legal basis for spontaneous exchange of information (ToR II.B.1, II.B.2)

156. Bosnia and Herzegovina does not have the necessary domestic legal basis to exchange information spontaneously. Bosnia and Herzegovina can only exchange information on request.

157. Bosnia and Herzegovina has international agreements permitting spontaneous exchange of information, including bilateral agreements in force with 38 jurisdictions.¹ Bosnia and Herzegovina signed the *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011^[4]) ("the Convention") on 26 November 2019 and ratified on 21 September 2020. The Convention entered into force on 1 January 2021. No exchanges could occur under the Convention for the year in review.²

Completion and exchange of templates (ToR II.B.3, II.B.4, II.B.5, II.B.6, II.B.7)

158. Bosnia and Herzegovina does not yet have a process to complete the templates on all relevant rulings, to make them available to the Competent Authority for exchange of information, and to exchange them with relevant jurisdictions.

159. During the year in review, no exchanges were required to take place and no data on the timeliness of exchanges is reported.

Conclusion on section B

160. Bosnia and Herzegovina is recommended to put in place the necessary domestic legal basis allowing spontaneous exchange of information on rulings, to develop a process to complete the templates for all relevant rulings and to ensure that the exchanges of information on rulings occur in accordance with the form and timelines under the transparency framework going forward (ToR II.B).

C. Statistics (ToR IV)

161. As there was no information on rulings exchanged by Bosnia and Herzegovina for the year in review, no statistics can be reported.

D. Matters related to intellectual property regimes (ToR I.A.1.3)

162. Bosnia and Herzegovina does not offer an intellectual property regime for which transparency requirements under the Action 5 Report (OECD, 2015^[1]) were imposed.

Summary of recommendations on implementation of the transparency framework

Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
Bosnia and Herzegovina does not yet have the necessary information gathering process in place.	Bosnia and Herzegovina is recommended to ensure that it has put in place an effective information gathering process to identify all relevant past and future rulings and all potential exchange jurisdictions and to implement a review and supervision mechanism, as soon as possible.
Bosnia and Herzegovina does not yet have a domestic legal framework allowing spontaneous exchange of information on rulings and a process to complete the templates on relevant rulings, to make them available to the Competent Authority for exchange of information, and to exchange them with relevant jurisdictions.	Bosnia and Herzegovina is recommended to put in place the necessary domestic legal basis allowing spontaneous exchange of information on rulings, to develop a process to complete the templates for all relevant rulings and to ensure that the exchanges of information on rulings occur in accordance with the form and timelines under the transparency framework going forward.

Jurisdiction's response and recent developments

163. Bosnia and Herzegovina notes that 2020 was the first year of implementation of the transparency framework for their tax administration. Bosnia and Herzegovina is currently in the process of taking appropriate steps to implement the transparency and action the recommendations of this report.

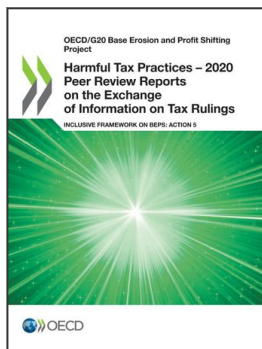
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Notes

¹ Bosnia and Herzegovina has bilateral agreements with Albania, Algeria, Austria, Azerbaijan, Belgium, Czech Republic, Finland, France, Germany, Greece, Croatia, Iran, Ireland, Italy, Jordan, Kuwait, Qatar, China (People's Republic of), Cyprus, Hungary, Malaysia, Montenegro, Moldova, Netherlands, North Macedonia, Norway, Pakistan, Poland, Romania, Slovak Republic, Slovenia, Serbia, Spain, Sweden, Sri Lanka, Turkey, United Arab Emirates, United Kingdom.

² Participating jurisdictions to the Convention are available here: www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm.



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