

Grenada

Grenada is taking steps to implement the transparency framework and to commence administrative preparations to ensure that it establishes an information gathering process (ToR I.4) and information on rulings will be identified and exchanged in a timely manner (ToR II.5). Grenada receives two recommendations on these points for the year in review.

This is Grenada's first review of implementation of the transparency framework.

Grenada can legally issue five types of rulings within the scope of the transparency framework.

In practice, Grenada has 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 Grenada.

A. The information gathering process

452. Grenada can legally issue the following five types of rulings within the scope of the transparency framework: (i) preferential regimes; (ii) 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; (iii) rulings providing for unilateral downward adjustments; (iv) permanent establishment rulings; and (v) related party conduit rulings. The Inland Revenue Division has a structure in place where an independent tax tribunal can issue rulings in scope of the transparency framework. To date, Grenada has never issued any rulings in scope of the transparency framework.

Past rulings (ToR I.4.1.1, I.4.1.2, I.4.2.1, I.4.2.2)

453. For Grenada, past rulings are any tax rulings issued prior to 1 March 2019. However, there is no obligation under the terms of the transparency framework for Grenada to conduct spontaneous exchange information on past rulings.

Future rulings (ToR I.4.1.1, I.4.1.2, I.4.2.1)

454. For Grenada, future rulings are any tax rulings within scope that are issued on or after 1 March 2019.

455. No rulings were issued by Grenada during the period in review. Grenada indicates that there are not yet processes in place to ensure the implementation of the obligations relating to the transparency framework such as the record keeping of rulings. It is noted that Grenada intends to implement appropriate processes to ensure the necessary information to meet the requirements of the transparency framework is required in all cases.

Review and supervision (ToR I.4.3)

456. Grenada did not yet have a review and supervision mechanism under the transparency framework for the year in review. Grenada is discussing the implementation of a revision and supervision mechanism for ensuring implementation of the transparency framework.

Conclusion on section A

457. Grenada is recommended to finalise its information gathering process for identifying all future rulings and potential exchange jurisdictions, with a review and supervision mechanism, as soon as possible (ToR I.4).

B. The exchange of information

Legal basis for spontaneous exchange of information (ToR II.5.1, II.5.2)

458. Grenada has the necessary domestic legal basis to exchange information spontaneously. Grenada notes that there are no legal or practical impediments that prevent the spontaneous exchange of information on rulings as contemplated in the Action 5 minimum standard.

459. Grenada has international agreements permitting spontaneous exchange of information, including being a party to the (i) *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011^[41]) (“the Convention”) and (ii) bilateral agreements in force with 15 jurisdictions.¹

Completion and exchange of templates (ToR II.5.3, II.5.4, II.5.5, II.5.6, II.5.7)

460. Grenada is still developing 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.

461. As no exchanges were required to take place in the year of review, no data on the timeliness of exchanges can be reported.

Conclusion on section B

462. Grenada is recommended to develop a process to complete the templates on relevant rulings and to ensure that the exchanges of information on rulings occur in accordance with the form and timelines under the transparency framework (ToR II.5).

C. Statistics (ToR IV)

463. As no rulings were issued, no statistics can be reported.

D. Matters related to intellectual property regimes (ToR I.4.1.3)

464. Grenada 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
Grenada has not put in place the necessary information gathering process.	Grenada is recommended to finalise its information gathering process for identifying all future rulings and potential exchange jurisdictions, with a review and supervision mechanism, as soon as possible.
Grenada does not have 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.	Grenada is recommended to develop a process to complete the templates on relevant rulings and to ensure that the exchanges of information on rulings occur in accordance with the form and timelines under the transparency framework.

References

- OECD (2015), *Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance, Action 5 - 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264241190-en>. [1]
- OECD/Council of Europe (2011), *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264115606-en>. [4]

Notes

¹ Parties to the Convention are available here: www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm. Grenada also has bilateral agreements with South Africa, the United Kingdom, and jurisdictions party to the CARICOM agreement.



From:

Harmful Tax Practices – 2019 Peer Review Reports on the Exchange of Information on Tax Rulings Inclusive Framework on BEPS: Action 5

Access the complete publication at:

<https://doi.org/10.1787/afd1bf8c-en>

Please cite this chapter as:

OECD (2020), "Grenada", in *Harmful Tax Practices – 2019 Peer Review Reports on the Exchange of Information on Tax Rulings: Inclusive Framework on BEPS: Action 5*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/6ababf17-en>

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