

Iceland

A. Progress in the implementation of the minimum standard

Iceland has 41 tax agreements in force, as reported in its response to the Peer Review questionnaire, including the multilateral Nordic Convention concluded with Denmark, the Faroe Islands, Finland, Norway and Sweden (the “Nordic Convention”).⁶³ Nineteen of those agreements, the agreements with Belgium, Canada, France, Georgia, India, Ireland, Japan, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Poland, the Slovak Republic, Slovenia, Switzerland, Ukraine and the United Kingdom as well as the Nordic Convention, comply with the minimum standard.

Iceland signed the MLI in 2017 and deposited its instrument of ratification on 26 September 2019. The MLI entered into force for Iceland on 1 January 2020. Iceland has not listed its agreements with Austria, Germany and Greenland but indicated in its response to the Peer Review questionnaire that bilateral negotiations would be pursued with respect to those agreements.

The Parties to the Nordic Convention signed a complying instrument in 2018. The protocol entered into force on 28 November 2019 and its provisions took effect on 1 January 2020.

Iceland is generally implementing the minimum standard through the inclusion of the preamble statement and the PPT.⁶⁴

The agreements modified by the MLI come into compliance with the minimum standard once the provisions of the MLI take effect.

B. Implementation issues

No jurisdiction has raised any concerns about their agreements with Iceland.

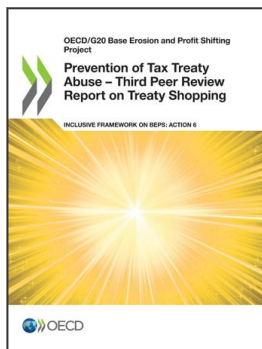
Summary of the jurisdiction response - Iceland

	Treaty partners	Compliance with the standard	If compliant, the alternative implemented	Signature of a complying instrument	The alternative implemented through the complying instrument (if not the MLI)	Comments
1	Albania	No	N/A	Yes	N/A	
2	Austria	No	N/A	No	N/A	Bilateral
3	Barbados	No	N/A	Yes	N/A	
4	Belgium	Yes	PPT alone	N/A	N/A	
5	Canada	Yes	PPT alone	N/A	N/A	
6	China (People's Republic of)	No	N/A	Yes	N/A	

⁶³ See the Multilateral convention concluded by Denmark, Finland, the Faroe Islands, Iceland, Norway and Sweden: for the avoidance of double taxation with respect to taxes on income and on capital (1996, 1997, 2008 and 2018). In total, Iceland identified 45 “agreements” in its List of Tax agreements: 40 bilateral agreements and the Nordic Convention concluded with five of its treaty partners.

⁶⁴ For its agreements listed under the MLI, Iceland is implementing the preamble statement (Article 6 of the MLI) and the PPT (Article 7 of the MLI). Iceland has also accepted to implement a simplified LOB in agreements concluded with partners that opted in for the simplified LOB under Article 7(7)(a) of the MLI.

7	Croatia	No	N/A	Yes	N/A	
8	Cyprus*	No	N/A	Yes	N/A	MLI entered into force on 1.5.2020 – Not in effect
9	Czech Republic	No	N/A	Yes	N/A	
10	Denmark	Yes	PPT alone	N/A	N/A	Nordic Convention
11	Estonia	No	N/A	Yes	N/A	
12	Faroe Islands	Yes	PPT alone	N/A	N/A	Nordic Convention
13	Finland	Yes	PPT alone	N/A	N/A	Nordic Convention
14	France	Yes	PPT alone	N/A	N/A	
15	Georgia	Yes	PPT alone	N/A	N/A	
16	Germany	No	N/A	No	N/A	Bilateral
17	Greece	No	N/A	Yes	N/A	
18	Greenland	No	N/A	No	N/A	Bilateral
19	Hungary	No	N/A	Yes	N/A	
20	India	Yes	PPT and LOB	N/A	N/A	
21	Ireland	Yes	PPT alone	N/A	N/A	
22	Italy	No	N/A	Yes	N/A	
23	Japan	Yes	PPT and LOB	N/A	N/A	Bilateral
24	Korea	No	N/A	Yes	N/A	
25	Latvia	No	N/A	Yes	N/A	MLI entered into force on 1.2.2020 – Not in effect
26	Liechtenstein	Yes	PPT alone	N/A	N/A	Bilateral
27	Lithuania	Yes	PPT alone	N/A	N/A	
28	Luxembourg	Yes	PPT alone	N/A	N/A	
29	Malta	Yes	PPT alone	N/A	N/A	
30	Mexico	No	N/A	Yes	N/A	
31	Netherlands	Yes	PPT alone	N/A	N/A	
32	Norway	Yes	PPT alone	N/A	N/A	Nordic Convention
33	Poland	Yes	PPT alone	N/A	N/A	
34	Portugal	No	N/A	Yes	N/A	MLI entered into force on 1.6.2020 – Not in effect
35	Romania	No	N/A	Yes	N/A	
36	Russia	No	N/A	Yes	N/A	MLI entered into force on 1.10.2019 but notification made pursuant to Article 35(7)(b) of the MLI was made on 30.4.2020 – Not in effect
37	Slovak Republic	Yes	PPT alone	N/A	N/A	
38	Slovenia	Yes	PPT alone	N/A	N/A	
39	Spain	No	N/A	Yes	N/A	
40	Sweden	Yes	PPT alone	N/A	N/A	Nordic Convention
41	Switzerland	Yes	PPT alone	N/A	N/A	
42	Ukraine	Yes	PPT alone	N/A	N/A	
43	United Kingdom	Yes	PPT and LOB	N/A	N/A	
44	United States	No	N/A	Yes	N/A	Preamble in place but detailed LOB to be implemented bilaterally
45	Viet Nam	No	N/A	Yes	N/A	



From:

Prevention of Tax Treaty Abuse – Third Peer Review Report on Treaty Shopping

Inclusive Framework on BEPS: Action 6

Access the complete publication at:

<https://doi.org/10.1787/d6cecbb8-en>

Please cite this chapter as:

OECD (2021), "Iceland", in *Prevention of Tax Treaty Abuse – Third Peer Review Report on Treaty Shopping : Inclusive Framework on BEPS: Action 6*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/7f741e96-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.