

# Pakistan

1. Pakistan was reviewed as part of the 2017/2018 and the 2018/2019 peer reviews. This report is supplementary to those previous reports (OECD, 2019<sup>[1]</sup>) (OECD, 2018<sup>[2]</sup>).
2. The first filing obligation for a CbC report in Pakistan commences in respect of financial years beginning on or after 1 January 2016.

## Summary of key findings

3. Pakistan's implementation of Action 13 minimum standard meets all applicable terms of reference (OECD, 2017<sup>[3]</sup>) relating to the domestic legal and administrative framework.
4. It is recommended that Pakistan 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. This recommendation remains unchanged since the 2018/2019 peer review.
5. Pakistan's previous peer reviews recommended that Pakistan take steps to ensure that the appropriate use condition is met. The steps have now been taken and the recommendation is removed.

## Part A: The domestic legal and administrative framework

6. Pakistan has legislation in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.

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

7. No changes were identified.

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

8. No changes were identified.

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

9. No changes were identified.

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

10. No changes were identified.

### ***(e) Effective implementation***

11. No changes were identified.

### ***Conclusion***

12. Pakistan meets all the terms of reference relating to the domestic legal and administrative framework.

## Part B: The exchange of information framework

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

13. As at 31 March 2020, Pakistan has 61 bilateral relationships activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, Pakistan has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.<sup>1</sup>

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

14. Pakistan does not have a process 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***

15. Pakistan does not have processes 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***

16. Pakistan 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***

17. Pakistan does not have processes 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***

18. Pakistan does not have processes 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***

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

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

20. Pakistan has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

### ***Conclusion***

21. Pakistan does not have in place the necessary processes and written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the information framework. It is recommended that Pakistan 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.

## Part C: Appropriate use

### *Appropriate use*

22. Pakistan's previous peer reviews recommended that Pakistan take steps to ensure that the appropriate use condition is met. The steps have now been taken and the recommendation is removed.

### *Conclusion*

23. Pakistan meets all the terms of reference on appropriate use.

## Summary of recommendations on the implementation of Country-by-Country Reporting

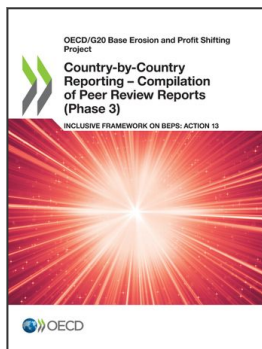
Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part A	Exchange of information framework	It is recommended that Pakistan take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate Use	

## References

- OECD (2019), *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 2): Inclusive Framework on BEPS: Action 13*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/f9bf1157-en>. [1]
- OECD (2018), *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 1): Inclusive Framework on BEPS: Action 13*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264300057-en>. [2]
- 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]

## Note

<sup>1</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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