

Iceland

Iceland has met all aspects of the terms of reference (OECD, 2017^[31]) (ToR) for the calendar year 2018 (year in review) and no recommendations are made.

In the prior year report, Iceland did not receive any recommendations.

Iceland can legally issue two types of rulings within the scope of the transparency framework. In practice, Iceland issued rulings within the scope of the transparency framework as follows:

- One past ruling;
- For the period 1 April 2016 - 31 December 201: no future rulings;
- For the calendar year 2017: no future rulings, and
- For the year in review: no future rulings.

Rulings are published on the tax administration website in anonymised form.

As no exchanges took place, no peer input was received in respect of the exchanges of information on rulings received from Iceland.

Introduction

This peer review covers Iceland's implementation of the BEPS Action 5 transparency framework for the year 2018. The report has four parts, each relating to a key part of the ToR. Each part is discussed in turn. A summary of recommendations is included at the end of this report.

A. The information gathering process

Iceland can legally issue the following two types of rulings within the scope of the transparency framework: (i) permanent establishment rulings and (ii) related party conduit rulings.

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

For Iceland, past rulings are any tax rulings within scope that are issued either: (i) on or after 1 January 2014 but before 1 April 2016; or (ii) on or after 1 January 2010 but before 1 January 2014, provided they were still in effect as at 1 January 2014.

In the prior years' peer review reports, it was determined that Iceland's undertakings to identify past rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard. Iceland's implementation in this regard remains unchanged, and therefore continues to meet the minimum standard.

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

For Iceland, future rulings are any tax rulings within scope that are issued on or after 1 April 2016.

In the prior years' peer review reports, it was determined that Iceland's undertakings to identify future rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard. In the prior year, the individual department Directors were responsible for the identification of rulings in scope. In the year of review, Iceland assigned the competent authority to undertake the role of identifying and exchanging information on rulings in order to centralise and streamline the process. The competent authority will apply the same information gathering process as previously in place and will identify all relevant rulings and potential exchange jurisdictions at the point of issue of the ruling. The implementation of the new system to identify future rulings and all potential exchange jurisdictions is sufficient to meet the minimum standard.

Review and supervision (ToR I.4.3)

In the prior years' peer review reports, it was determined that Iceland's review and supervision mechanism was sufficient to meet the minimum standard. Iceland's implementation in this regard remains unchanged, whereby the Tax Commissioner and Deputy Tax Commissioner are responsible for supervision, and therefore continues to meet the minimum standard.

Conclusion on section A

Iceland has met all of the ToR for the information gathering process and no recommendations are made.

B. The exchange of information

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

Iceland has the necessary domestic legal basis to exchange information spontaneously. Iceland 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.

Iceland 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^[4]) (“the Convention”), (ii) the Nordic Convention with Denmark, Faroe Islands, Finland, Greenland, Norway and Sweden and (iii) double tax agreements in force with 40 jurisdictions.¹

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

In the prior year peer review report, it was determined that Iceland’s process for the completion and exchange of templates were sufficient to meet the minimum standard. Iceland’s implementation in this regard remains unchanged and therefore continues to meet the minimum standard.

As no future rulings have been issued during the year in review, Iceland was not required to complete any exchanges of information and there is no data to report on timeliness of exchanges.

Conclusion on section B

Iceland has the necessary legal basis for spontaneous exchange of information, a process for completing the templates in a timely way. Iceland has met all of the ToR for the exchange of information process and no recommendations are made.

C. Statistics (ToR IV)

As no exchanges were required to occur in the year of review, no statistics can be reported.

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

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

Summary of recommendations on implementation of the transparency framework

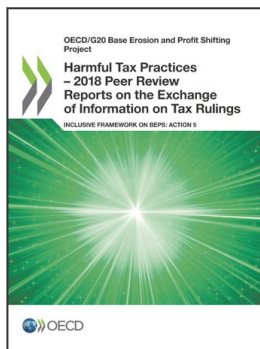
Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
	No recommendations are made.

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. Iceland also has bilateral agreements in force with Albania, Austria, Barbados, Belgium, Canada, China (People's Republic of), Croatia, Cyprus, Czech Republic, Estonia, France, Georgia, Greece, Greenland, Germany, Hungary, India, Ireland, Italy, Japan, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Netherlands, Poland, Portugal, Romania, Russia, Slovak Republic, Slovenia, Spain, Switzerland, Ukraine, United Kingdom, United States, Viet Nam.

Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

Note by all the European Union Member States of the OECD and the European Union. The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.



From:

Harmful Tax Practices – 2018 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/10.1787/7cc5b1a2-en>

Please cite this chapter as:

OECD (2020), "Iceland", in *Harmful Tax Practices – 2018 Peer Review Reports on the Exchange of Information on Tax Rulings: Inclusive Framework on BEPS: Action 5*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9d5b0926-en>

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