

Andorra

1. Andorra was reviewed as part of the 2017/2018 and the 2018/2019 peer reviews. This report is supplementary to those previous reports (OECD, 2019^[1]) (OECD, 2018^[2])
2. The first filing obligation for a CbC report in Andorra applies to reporting fiscal years commencing on or after 1 January 2018.

Summary of key findings

3. Andorra's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017^[3]), except for the following:
 - It is recommended that Andorra 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 ahead of its first exchanges of information. This recommendation remains unchanged since the 2018/2019-peer review.
 - It is recommended that Andorra take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

Part A: The domestic legal and administrative framework

4. Andorra has law in place which implements the BEPS Action 13 minimum standard, establishing the necessary requirements.

(a) Parent entity filing obligation

5. No changes were identified

(b) Scope and timing of parent entity filing

6. No changes were identified.

(c) Limitation on local filing obligation

7. No changes were identified.

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

8. No changes were identified.

(e) Effective implementation

9. No changes were identified.

Conclusion

10. Andorra 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

11. As of 31 March 2020 Andorra has 63 bilateral relationships in place for the exchange of CbC reports, activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of tax information, Andorra has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that currently meet the confidentiality, consistency and appropriate use conditions. Regarding Andorra's exchange of information framework, no inconsistencies with the terms of reference were identified.¹

(b) Content of information exchanged

12. Andorra does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template is present in the information exchanged.

(c) Completeness of exchanges

13. Andorra does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

14. Andorra 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 and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

15. Andorra does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. Andorra does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

17. Andorra indicates that it will use the OECD XML Schema and User Guide for the international exchange of CbC reports (OECD, 2017^[4]).

(h) Method for transmission

18. Andorra indicates that it will use the Common Transmission System to exchange CbC reports.

Conclusion

19. It is recommended that Andorra 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 ahead of its first exchanges of information. This recommendation remains unchanged since the 2018/2019 review.

Part C: Appropriate use

Appropriate use

20. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Andorra to take steps to have measures in place relating to appropriate use remains in place.

Conclusion

21. The recommendation for Andorra take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remain in place.

Summary of recommendations on the implementation of country-by-country reporting

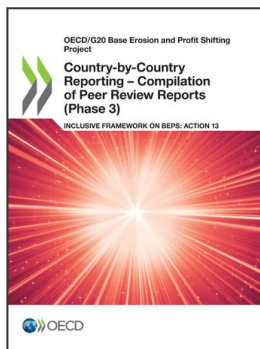
Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	It is recommended that Andorra take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.
Part C	Appropriate use	It is recommended that Andorra take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

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

¹ 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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