

Macau (China)

1. Macau 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 Macau commences in respect of fiscal periods commencing on or after 1 January 2019.

Summary of key findings

3. The 2017/2018 peer review recommended that Macau take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements. Legislation is now in effect and this recommendation is removed.
4. It is recommended that Macau take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which it has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.
5. The 2017/2018 peer review recommended that Macau 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. Process are now in place and this recommendation is removed.
6. The 2017/2018 recommended that Macau take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This condition is now met and the recommendation is removed.

Part A: The domestic legal and administrative framework

7. Macau has legislation in place for implementing the BEPS Action 13 minimum standard, requiring filing of CbC reports for fiscal years commencing on or after 1 January 2019.¹

(a) Parent entity filing obligation

8. Macau has introduced a filing requirement which applies to all Ultimate Parent Entities of MNE Groups above a certain threshold and which requires inclusion of all constituent entities.
9. No inconsistencies were identified

(b) Scope and timing of parent entity filing

10. The first filing requirements for MNE Groups in Macau enforce a CbC filing requirement for fiscal years commencing on or after 1 January 2019 and filing is required 12 months after the reporting year end.
11. No inconsistencies were identified

(c) Limitation on local filing obligation

12. Macau does not have a local filing requirement.

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

13. Macau does not have a local filing requirement.

(e) Effective implementation

14. Macau has systems to ensure effective implementation of the CbC filing requirement which include a notification requirement and a penalty regime in the case of late, inaccurate or non-filing of CbC reports.

Conclusion

15. Macau's legal framework meets all of the terms of reference.

Part B: The exchange of information framework

(a) Exchange of information framework

16. As of 31 March 2020, Macau has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Macau take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Macau has an international exchange of information agreement in effect that allows for the automatic exchange of tax information

(b) Content of information exchanged

17. Macau has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes and written procedures.

(c) Completeness of exchanges

18. Macau has processes and 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. It has provided details in relation to these processes and written procedures.

(d) Timeliness of exchanges

19. Macau has processes and 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. It has provided details in relation to these processes and written procedures.

(e) Temporary suspension of exchange or termination of QCAA

20. Macau has processes 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. It has provided details in relation to those processes.

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

21. Macau has processes 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. It has provided details in relation to those processes.

(g) Format for information exchange

22. Macau confirms that it will use the OECD XML Schema and User Guide for the international exchange of CbC reports.

(h) Method for transmission

23. Macau confirms that it will use the Common Transmission System for the exchange of CbC reports.

Conclusion

24. The 2018/2019 peer review recommended that Macau 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. The processes are in place and the recommendation is removed.

25. It is recommended that Macau take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Macau has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

Part C: Appropriate use

Appropriate use

26. The 2017/2018 recommended that Macau take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This condition is now met and the recommendation is removed.

Conclusion

27. The 2017/2018 recommended that Macau take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This condition is now met and the recommendation is removed.

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

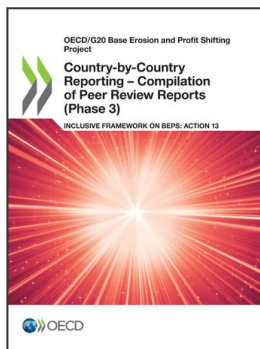
Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	It is recommended that Macau take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Macau has an international exchange of information agreement in effect that allows for the automatic exchange of tax information
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]

Note

- ¹ Law 21/2019 <https://bo.io.gov.mo/bo/i/2019/51/lei21.asp>; (accessed on 24 August 2020). Administrative Regulation 1/2020 <https://bo.io.gov.mo/bo/i/2020/03/regadm01.asp> (accessed on 24 August 2020).



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