

Democratic Republic of the Congo

1. The Democratic Republic of the Congo was first reviewed during the 2017/2018 peer review. This report is supplementary to the Democratic Republic of the Congo's 2017/2018 peer review report (OECD, 2018^[1]). There is no filing obligation for a CbC report in the Democratic Republic of the Congo yet.

Summary of key findings

2. The Democratic Republic of the Congo does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.¹ It is recommended that the Democratic Republic of the Congo take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that the Democratic Republic of the Congo 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 they have 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.

4. It is recommended that the Democratic Republic of the Congo 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 (OECD, 2017^[2]) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that the Democratic Republic of the Congo 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.

6. It is however noted that the Democratic Republic of the Congo will not be exchanging CbC reports in 2019.

Part A: The domestic legal and administrative framework

7. The Democratic Republic of the Congo does not yet have legislation in place for implementing the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation.

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

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. No changes were identified with respect to the effective implementation.

Conclusion

13. There is no change in relation to the domestic legal and administration framework for the Democratic Republic of the Congo since the previous peer review. The recommendation in the 2017/18 peer review, that the Democratic Republic of the Congo take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, remains in place.

Part B: The exchange of information framework*(a) Exchange of information framework*

14. As of 31 May 2019, the Democratic Republic of the Congo has no bilateral relationships in place for the exchange of CbC reports. It is recommended that the Democratic Republic of the Congo 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 the Democratic Republic of the Congo has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged from the 2017/2018 review.

(b) Content of information exchanged

15. The Democratic Republic of the Congo does not have processes 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

16. The Democratic Republic of the Congo 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

17. The Democratic Republic of the Congo 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

18. The Democratic Republic of the Congo 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

19. The Democratic Republic of the Congo 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

20. The Democratic Republic of the Congo has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

21. The Democratic Republic of the Congo has not indicated that it will use the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

22. The recommendation in the 2017/2018 peer review for the Democratic Republic of the Congo to 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 they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information remains in place.

23. Further, it is recommended that the Democratic Republic of the Congo 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. It is however noted that the Democratic Republic of the Congo will not be exchanging CbC reports in 2019.

Part C: Appropriate use

24. The Democratic Republic of the Congo does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for the Democratic Republic of the Congo to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place. It is however noted that the Democratic Republic of the Congo will not be exchanging CbC reports in 2019.

Conclusion

25. There is no change to the conclusion in relation to the appropriate use for the Democratic Republic of the Congo since the previous peer review. The recommendation for the Democratic Republic of the Congo to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place. It is however noted that the Democratic Republic of the Congo will not be exchanging CbC reports in 2019.

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	It is recommended that the Democratic Republic of the Congo take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that the Democratic Republic of the Congo 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 they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that the Democratic Republic of the Congo take steps to implement the necessary 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	It is recommended that the Democratic Republic of the Congo take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Notes

¹ CbC requirements may first apply for taxable years commencing on or after January 1, 2018 if they are included in the Finance Bill for 2018. The Democratic Republic of the Congo indicates that draft legislation is for the time being subject to internal review.



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