

Double taxation dispute resolution mechanisms: EU consultation

International Tax

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The CIOT has responded to the EU consultation on double taxation dispute resolution mechanisms.

The CIOT welcomed this EU initiative and the prospect of improvements even if they might be limited only to the the bloc. However, we noted our disappointment that the recommendations of Action 14 (dispute resolution mechanisms) of the G20/OECD BEPS project had stopped short of endorsing a universal mandatory arbitration provision for all bilateral double tax treaties. We said the EU should channel its resources in supplementing and encouraging the development of the OECD recommendations so that a global approach is taken by all countries, extending to those in the G20 and elsewhere. We are concerned to avoid any EU action that is not consistent and compatible with any OECD developments in this area.

We support setting up a permanent arbitration court or tribunal specialising in international tax disputes, which would offer a range of services to include mediation and facilitation. We also recommended that the whole dispute resolution process allows for more taxpayer engagement and participation in order to improve the efficiency of the process and reduce misunderstandings caused by an incomplete or insufficient understanding of the facts relevant to the issues in dispute.

Our full response can be read on the [CIOT website](#).