

Multinationals tackle cross-border tax issues with OECD’s ICAP – up to 95% low-risk outcomes

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The OECD’s International Compliance Assurance Programme: an avenue to address cross-border tax challenges?

As the world of cross-border tax moves to its highest state of flux since the initial BEPS project, multinational companies (MNCs) may wish to consider whether the Organisation for Economic Co-operation and Development (OECD) International Compliance Assurance Programme (ICAP), in the absence of new dispute prevention/resolution tools, may provide an efficient way to address complex, multilateral issues.

The OECD has recently released [statistics](#) sharing large MNC feedback on ICAP and showing that the 20 cases passing through the program so far have resulted in low-risk outcomes of between 75% and 95% for issues ranging from tangible goods (90%), intangible goods (75%), services (88%), financing (76%) and permanent establishment (95%).

The statistics further indicate that 32% of all ICAP cases involved the issue resolution process within ICAP, with an average of five tax administrations participating in each case. Interested taxpayers should review the ICAP handbook for more details — including newly available [ICAP templates](#) outlining the requirements to be eligible for the program.

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