

Questionnaire

**1. How does base erosion and profit shifting affect your country?**

Answer: BEPS reduces government revenue.

**2. If you are affected by base erosion and profit shifting, what are the most common practices or structures used in your country or region, and the responses to them?**

Answer: Through the non – availability and non disclosure of information for tax purposes.

During the period prior to the introduction of Transfer Pricing, Ghana responded to this by invoking section 112 of the Internal Revenue Act, 2000, Act 592 which authorizes the Commissioner – General to re-characterise or disregard an arrangement or part thereof which is fictitious or does not have a substantial economic effect, that is entered into as part of a tax avoidance scheme. Post Transfer Pricing, if the transaction is uncovered, it is dealt with by the Transfer Pricing specialists,

**3. When you consider an MNE's activity in your country, how do you judge whether the MNE has reported an appropriate amount of profit in your jurisdiction?**

Answer: It is generally difficult to judge until a thorough audit is conducted.

**4. What main obstacles have you encountered in assessing whether the appropriate amount of profit is reported in your jurisdiction and in ensuring that tax is paid on such profit?**

Answer: Our biggest obstacle is the availability of database to conduct the comparability analysis.

The Subcommittee have identified a number of actions in the Action Plan that impact on taxation in the country where the income is earned (the source country), as opposed to taxation in the country in which the MNE is headquartered (the residence country), or seek to improve transparency between MNEs and revenue authorities as being

particularly important to many developing countries (while recognising that there will be particular differences between such countries). These are:

Action 4 – Limit base erosion via interest deductions and other financial payments

Action 6 – Prevent Treaty Abuse

Action 8 – Assure that transfer pricing outcomes are in line with value creation:  
intangibles

Action 9 – Assure that transfer pricing outcomes are in line with value creation:  
risks and capital

Action 10 – Assure that transfer pricing outcomes are in line with value creation  
with reference to other high risk transactions (in particular management fees)

Action 11 – Establish methodologies to collect and analyse data on BEPS and the  
actions to address it

Action 12 – Require taxpayers to disclose their aggressive tax planning  
arrangements

Action 13 – Re-examine transfer pricing documentation

**5. Do you agree that these are particularly important priorities for developing countries?**

Answer: Yes.

**6. Which of these OECD's Action Points do you see as being most important for your country, and do you see that priority changing over time?**

Answer: All eight (8) action points especially points 4, 8, 9. And 10. Yes, this priority certainly will change once Ghana has the tools to determine adequacy of the above - listed points.

***7. Are there other Action Points currently in the Action Plan but not listed above that you would include as being most important for developing countries?***

Answer: Not immediately.

***8. Having considered the issues outlined in the Action Plan and the proposed approaches to addressing them (including domestic legislation, bilateral treaties and a possible multilateral treaty) do you believe there are other approaches to addressing that practices that might be more effective at the policy or practical levels instead of, or alongside such actions, for your country?***

Answer: No.

***9. Having considered the issues outlined in the Action Plan, are there other base erosion and profit shifting issues in the broad sense that you consider may deserve consideration by international organisations such as the UN and OECD?***

Answer: Yes, E – commerce.

***10. Do you want to be kept informed by email on the Subcommittee's work on base erosion and profit shifting issues for developing countries and related work of the UN Committee of Experts on International Cooperation in Tax Matters?***

Answer: Yes.

***Do you have any other comments you wish to share with the Subcommittee about base erosion and profit shifting, including your experience of obstacles to assessing and then addressing the issues, as well as lessons learned that may be of wider benefit?***

Answer: Not yet.