

**OECD/G20 Base Erosion and Profit Shifting
Project**



Making Dispute Resolution More Effective – MAP Peer Review Report, Andorra (Stage 2)

INCLUSIVE FRAMEWORK ON BEPS: ACTION 14



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Note by Turkey

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Note by all the European Union Member States of the OECD and the European Union

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Foreword

Digitalisation and globalisation have had a profound impact on economies and the lives of people around the world, and this impact has only accelerated in the 21st century. These changes have brought with them challenges to the rules for taxing international business income, which have prevailed for more than a hundred years and created opportunities for base erosion and profit shifting (BEPS), requiring bold moves by policy makers to restore confidence in the system and ensure that profits are taxed where economic activities take place and value is created.

In 2013, the OECD ramped up efforts to address these challenges in response to growing public and political concerns about tax avoidance by large multinationals. The OECD and G20 countries joined forces and developed an Action Plan to address BEPS in September 2013. The Action Plan identified 15 actions aimed at introducing coherence in the domestic rules that affect cross-border activities, reinforcing substance requirements in the existing international standards, and improving transparency as well as certainty.

After two years of work, measures in response to the 15 actions, including those published in an interim form in 2014, were consolidated into a comprehensive package and delivered to G20 Leaders in November 2015. The BEPS package represents the first substantial renovation of the international tax rules in almost a century. As the BEPS measures are implemented, it is expected that profits will be reported where the economic activities that generate them are carried out and where value is created. BEPS planning strategies that rely on outdated rules or on poorly co-ordinated domestic measures will be rendered ineffective.

OECD and G20 countries also agreed to continue to work together to ensure a consistent and co-ordinated implementation of the BEPS recommendations and to make the project more inclusive. As a result, they created the OECD/G20 Inclusive Framework on BEPS (Inclusive Framework), bringing all interested and committed countries and jurisdictions on an equal footing in the Committee on Fiscal Affairs and its subsidiary bodies. With over 140 members, the Inclusive Framework monitors and peer reviews the implementation of the minimum standards and is completing the work on standard setting to address BEPS issues. In addition to its members, other international organisations and regional tax bodies are involved in the work of the Inclusive Framework, which also consults business and the civil society on its different work streams.

Although implementation of the BEPS package is dramatically changing the international tax landscape and improving the fairness of tax systems, one of the key outstanding BEPS issues – to address the tax challenges arising from the digitalisation of the economy – remained unresolved. In a major step forward on 8 October 2021, over 135 Inclusive Framework members, representing more than 95% of global GDP, joined a two-pillar solution to reform the international taxation rules and ensure that multinational enterprises pay a fair share of tax wherever they operate and generate profits in today's

digitalised and globalised world economy. The implementation of these new rules is envisaged by 2023.

This report was approved by the Inclusive Framework on 17 March 2022 and prepared for publication by the OECD Secretariat.

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Abbreviations and acronyms

APA	Advance Pricing Arrangement
BEPS	Base Erosion and Profit Shifting
FTA	Forum on Tax Administration
MAP	Mutual Agreement Procedure
OECD	Organisation for Economic Co-operation and Development

Executive summary

Andorra has a modest tax treaty network with less than ten tax treaties. Andorra has no experience with resolving MAP cases, as it has not been involved in any MAP cases. The outcome of the stage 1 peer review process was that overall Andorra met the majority of the elements of the Action 14 Minimum Standard. Where it has deficiencies, Andorra has worked to address them, which has been monitored in stage 2 of the process. In this respect, Andorra has solved most of the identified deficiencies.

All of Andorra's tax treaties contain a provision relating to MAP. Those treaties mostly follow paragraphs 1 through 3 of Article 25 of the OECD Model Tax Convention (OECD, 2017). Its treaty network is fully consistent with the requirements of the Action 14 Minimum Standard.

In order to allow taxpayers to submit a MAP request to the competent authority of either state, Andorra has opted to update a certain number of its tax treaties. In this respect, Andorra signed and ratified the Multilateral Instrument. Through this instrument some of the relevant tax treaties will be modified to include a provision equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2017), as amended by the Action 14 final report (OECD, 2015).

Andorra meets the Action 14 Minimum Standard concerning the prevention of disputes. It has in place a bilateral APA programme. This APA programme also enables taxpayers to request roll-back of bilateral APAs and such roll-backs would be granted in practice.

Furthermore, Andorra meets some of the requirements regarding the availability and access to MAP under the Action 14 Minimum Standard. It provides access to MAP in eligible cases in principle, although it has since 1 September 2019 not received any MAP requests. However, Andorra does not have in place a documented bilateral consultation or notification process for those situations in which its competent authority considers the objection raised by taxpayers in a MAP request as not justified. Andorra also has no published guidance on the availability of MAP and how it applies this procedure in practice under tax treaties.

Andorra has not been involved in any MAP cases since 1 January 2016, but it meets in principle all the requirements under the Action 14 Minimum Standard in relation to the resolution of MAP cases. Andorra's competent authority operates fully independently from the audit function of the tax authorities and envisages a co-operative approach to resolve MAP cases in an effective and efficient manner. Its organisation is adequate and the performance indicators used are appropriate to evaluate the MAP function.

Lastly, Andorra in principle meets the Action 14 Minimum Standard as regards the implementation of MAP agreements. Andorra would monitor the implementation of such agreements.

References

- OECD (2015), “Making Dispute Resolution Mechanisms More Effective, Action 14 – 2015 Final Report”, in *OECD/G20 Base Erosion and Profit Shifting Project*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264241633-en>.
- OECD (2017), *Model Tax Convention on Income and on Capital 2017 (Full Version)*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/g2g972ee-en>.

Introduction

Available mechanisms in Andorra to resolve tax treaty-related disputes

Andorra has entered into eight tax treaties on income (and/or capital), all of which are in force.¹ These eight treaties are being applied to an equal number of jurisdictions. All of these treaties provide for a mutual agreement procedure (“**MAP**”) for resolving disputes on the interpretation and application of the provisions of the tax treaty. None of these eight treaties provide for an arbitration procedure as a final stage to the mutual agreement procedure.

Under Andorra’s tax treaties, the competent authority function is assigned to the Minister of Finance or his authorised representative. The competent authority of Andorra currently employs approximately five staff members, who are responsible for both attribution/allocation and other MAP cases in addition to other non-MAP related duties.

Andorra has not yet issued guidance on the governance and administration of the mutual agreement procedure but indicated that it is currently finalising such guidance, which it expects to be published by the second half of 2021.

Developments in Andorra since 1 September 2019

Developments in relation to the tax treaty network

Andorra reported that it has ongoing negotiations for new tax treaties with two treaty partners and that it has concluded tax treaty negotiations for new tax treaties with two other treaty partners.

On 7 June 2017 Andorra signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (“**Multilateral Instrument**”), to adopt, where necessary, modifications to the MAP article under its tax treaties with a view to be compliant with the Action 14 Minimum Standard in respect of all the relevant tax treaties. On 29 September 2021, Andorra deposited its instrument of ratification, following which the Multilateral Instrument has for Andorra entered into force on 1 January 2022. With the deposit of the instrument of ratification, Andorra also submitted its list of notifications and reservations to the Multilateral Instrument.² In relation to the Action 14 Minimum Standard, Andorra has not made any reservations to Article 16 of the Multilateral Instrument (concerning the mutual agreement procedure).

All of Andorra’s tax treaties are in line with the Action 14 minimum standard.

Other developments

There are no other developments in relation to Andorra’s legislative and administrative framework in connection with MAP.

Basis for the peer review process

The peer review process entails an evaluation of Andorra’s implementation of the Action 14 Minimum Standard through an analysis of its legal and administrative framework relating to the mutual agreement procedure, as governed by its tax treaties, domestic legislation and regulations, as well as its MAP programme guidance and the practical application of that framework. The review process performed is desk-based and conducted through specific questionnaires completed by Andorra, its peers and taxpayers. The questionnaires for the peer review process were sent to Andorra and the peers on 30 August 2019.

The process consists of two stages: a peer review process (stage 1) and a peer monitoring process (stage 2). In stage 1, Andorra’s implementation of the Action 14 Minimum Standard as outlined above is evaluated, which has been reflected in a peer review report that has been adopted by the BEPS Inclusive Framework on 12 May 2020. This report identifies the strengths and shortcomings of Andorra in relation to the implementation of this standard and provides for recommendations on how these shortcomings should be addressed. The stage 1 report is published on the website of the OECD.³ Stage 2 is launched within one year upon the adoption of the peer review report by the BEPS Inclusive Framework through an update report by Andorra. In this update report, Andorra reflected (i) what steps it has already taken, or are to be taken, to address any of the shortcomings identified in the peer review report and (ii) any plans or changes to its legislative and/or administrative framework concerning the implementation of the Action 14 Minimum Standard. The update report forms the basis for the completion of the peer review process, which is reflected in this update to the stage 1 peer review report.

Outline of the treaty analysis

For the purpose of this report and the statistics below, in assessing whether Andorra is compliant with the elements of the Action 14 Minimum Standard that relate to a specific treaty provision, the newly negotiated treaties or the treaties as modified by a protocol, as described above, were taken into account, even if it concerned a modification or a replacement of an existing treaty. Reference is made to Annex A for the overview of Andorra’s tax treaties regarding the mutual agreement procedure.

Timing of the process and input received from peers and taxpayers

Stage 1 of the peer review process for Andorra was launched on 30 August 2019, with the sending of questionnaires to Andorra and its peers. The FTA MAP Forum has approved the stage 1 peer review report of Andorra in March 2020, with the subsequent approval by the BEPS Inclusive Framework on 12 May 2020. On 12 May 2021, Andorra submitted its update report, which initiated stage 2 of the process.

The period for evaluating Andorra’s implementation of the Action 14 Minimum Standard for stage 1 ranged from 1 January 2016 to 31 August 2019 and formed the basis for the stage 1 peer review report. The period of review for stage 2 started on 1 September 2019 and depicts all developments as from that date until 30 April 2021.

No peer input was provided on Andorra’s implementation of the Action 14 Minimum Standard. This can be explained by the fact that Andorra’s competent authority has never received a MAP request from a taxpayer or from another competent authority.

Input by Andorra and co-operation throughout the process

Andorra provided answers in its questionnaire on time. Andorra was very responsive in the course of the drafting of the peer review report by responding timely and comprehensively to requests for additional information, and provided further clarity where necessary. In addition, Andorra provided the following information:

- a. MAP profile⁴
- b. MAP statistics⁵ according to the MAP Statistics Reporting Framework (see below).

Concerning stage 2 of the process, Andorra submitted its update report on time and the information included therein was extensive. Andorra was very co-operative during stage 2 and the finalisation of the peer review process.

Finally, Andorra is a member of the FTA MAP Forum and has shown good co-operation during the peer review process.

Overview of MAP caseload in Andorra

Andorra has not been involved in any MAP cases during the period under review for stage 1 or stage 2.

General outline of the peer review report

This report includes an evaluation of Andorra’s implementation of the Action 14 Minimum Standard. The report comprises the following four sections:

- A. Preventing disputes
- B. Availability and access to MAP
- C. Resolution of MAP cases
- D. Implementation of MAP agreements.

Each of these sections is divided into elements of the Action 14 Minimum Standard, as described in the terms of reference to monitor and review the implementation of the BEPS Action 14 Minimum Standard to make dispute resolution mechanisms more effective (“**Terms of Reference**”).⁶ Apart from analysing Andorra’s legal framework and its administrative practice, the report also incorporates peer input and responses to such input by Andorra during stage 1 and stage 2. Furthermore, the report depicts the changes adopted and plans shared by Andorra to implement elements of the Action 14 Minimum Standard where relevant. The conclusion of each element identifies areas for improvement (if any) and provides for recommendations how the specific area for improvement should be addressed.

The basis of this report is the outcome of the stage 1 peer review process, which has identified in each element areas for improvement (if any) and provides for recommendations how the specific area for improvement should be addressed. Following the outcome of the peer monitoring process of stage 2, each of the elements have been updated with a recent development section to reflect any actions taken or changes made on how recommendations

have been addressed, or to reflect other changes in the legal and administrative framework of Andorra relating to the implementation of the Action 14 Minimum Standard. Where it concerns changes to MAP guidance or statistics, these changes are reflected in the analysis sections of the elements, with a general description of the changes included in the recent development sections.

The objective of the Action 14 Minimum Standard is to make dispute resolution mechanisms more effective and concerns a continuous effort. Where recommendations have been fully implemented, this has been reflected and the conclusion section of the relevant element has been modified accordingly, but Andorra should continue to act in accordance with a given element of the Action 14 Minimum Standard, even if there is no area for improvement and recommendation for this specific element.

Notes

1. The tax treaties Andorra has entered into are available at: <https://www.finances.ad/regulations>. Reference is made to Annex A for the overview of Andorra's tax treaties concerning the mutual agreement procedure.
2. Available at: www.oecd.org/tax/treaties/beps-mli-position-andorra-instrument-deposit.pdf.
3. Available at: <https://www.oecd.org/tax/beps/making-dispute-resolution-more-effective-map-peer-review-report-andorra-stage-1-9845ee12-en.htm>.
4. Available at: www.oecd.org/tax/dispute/country-map-profiles.htm.
5. The MAP statistics of Andorra are included in Annexes B and C of this report.
6. Terms of reference to monitor and review the implementing of the BEPS Action 14 Minimum Standard to make dispute resolution mechanisms more effective. Available at: www.oecd.org/tax/beps/beps-action-14-on-more-effective-dispute-resolution-peer-review-documents.pdf.

Part A

Preventing disputes

[A.1] **Include Article 25(3), first sentence, of the OECD Model Tax Convention in tax treaties**

Jurisdictions should ensure that their tax treaties contain a provision which requires the competent authority of their jurisdiction to endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of their tax treaties.

1. Cases may arise concerning the interpretation or the application of tax treaties that do not necessarily relate to individual cases, but are more of a general nature. Inclusion of the first sentence of Article 25(3) of the OECD Model Tax Convention (OECD, 2017) in tax treaties invites and authorises competent authorities to solve these cases, which may avoid submission of MAP requests and/or future disputes from arising, and which may reinforce the consistent bilateral application of tax treaties.

Current situation of Andorra's tax treaties

2. All of Andorra's eight tax treaties contain a provision equivalent to Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017) requiring their competent authority to endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the tax treaty.

3. No peer input was provided during stage 1.

Recent developments

Peer input

4. No peer input was provided.

Anticipated modifications

5. Andorra reported it will seek to include Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017) in all of its future tax treaties.

Conclusion

	Areas for improvement	Recommendations
[A.1]	-	-

[A.2] Provide roll-back of bilateral APAs in appropriate cases

Jurisdictions with bilateral advance pricing arrangement (“APA”) programmes should provide for the roll-back of APAs in appropriate cases, subject to the applicable time limits (such as statutes of limitation for assessment) where the relevant facts and circumstances in the earlier tax years are the same and subject to the verification of these facts and circumstances on audit.

6. An APA is an arrangement that determines, in advance of controlled transactions, an appropriate set of criteria (e.g. method, comparables and appropriate adjustment thereto, critical assumptions as to future events) for the determination of the transfer pricing for those transactions over a fixed period of time.¹ The methodology to be applied prospectively under a bilateral or multilateral APA may be relevant in determining the treatment of comparable controlled transactions in previous filed years. The “roll-back” of an APA to these previous filed years may be helpful to prevent or resolve potential transfer pricing disputes.

Andorra’s APA programme

7. Andorra reported that it is possible to enter into APAs under its domestic law based on article 66 of Law 21/2014 of 16 October on Taxation dealing with “valuation agreements” that may be entered into by taxpayers with the tax administration to establish a prior and binding valuation of inter alia, income for tax purposes. Article 27 of the regulations governing the implementation of taxes establishes the minimum information that should be included in a request made by the taxpayer under this provision.

8. In addition, Andorra noted that Article 16.5 of Law 95/2010 of 29 December on Corporate Tax allows Andorra to make prior agreements on valuation with tax administrations in other countries within the framework of its tax treaties, for the purpose of jointly determining the market value of the taxpayer’s operations. Based on this provision and its tax treaties, Andorra noted that it has the right to enter into bilateral APAs, provided that the relevant treaty contains a provision equivalent to Article 25(3) of the OECD Model Tax Convention (OECD, 2017).

9. Andorra noted that under the above system, bilateral APAs would apply to operations carried out after the date on which it is approved, and will be valid for the tax periods specified in the agreement. Andorra clarified that there its domestic law does not establish a specific term for bilateral APAs.

Roll-back of bilateral APAs

10. Andorra noted that its domestic law allows the possibility of providing roll-back of bilateral APAs. In this regard, Andorra clarified that Article 16.5 of Law 95/2010 of 29 December on Corporate Tax notes that a bilateral APA may be applied to previous fiscal years having the same facts and circumstances, without any limits concerning the same, as long as a full tax audit has not been started by the tax administration concerning those years and as long as domestic time limits have not expired concerning such years.

Recent developments

11. There are no recent developments with respect to element A.2.

Practical application of roll-back of bilateral APAs

Period 1 January 2016-31 August 2019 (stage 1)

12. Andorra reported not having received any requests for bilateral APAs in the period 1 January 2016-31 August 2019.
13. No peer input was provided.

Period 1 September 2019-30 April 2021 (stage 2)

14. Andorra reported also not having received any requests for a bilateral APA since 1 September 2019.
15. No peer input was provided.

Anticipated modifications

16. Andorra indicated that it does not anticipate any modifications in relation to element A.2.

Conclusion

	Areas for improvement	Recommendations
[A.2]	-	-

Note

1. This description of an APA based on the definition of an APA in the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (OECD, 2017b).

References

OECD (2017a), *Model Tax Convention on Income and on Capital 2017 (Full Version)*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/g2g972ee-en>.

OECD (2017b), *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2017*, <https://dx.doi.org/10.1787/tpg-2017-en>.

Part B

Availability and access to MAP

[B.1] Include Article 25(1) of the OECD Model Tax Convention in tax treaties

Jurisdictions should ensure that their tax treaties contain a MAP provision which provides that when the taxpayer considers that the actions of one or both of the Contracting Parties result or will result for the taxpayer in taxation not in accordance with the provisions of the tax treaty, the taxpayer, may irrespective of the remedies provided by the domestic law of those Contracting Parties, make a request for MAP assistance, and that the taxpayer can present the request within a period of no less than three years from the first notification of the action resulting in taxation not in accordance with the provisions of the tax treaty.

17. For resolving cases of taxation not in accordance with the provisions of the tax treaty, it is necessary that tax treaties include a provision allowing taxpayers to request a mutual agreement procedure and that this procedure can be requested irrespective of the remedies provided by the domestic law of the treaty partners. In addition, to provide certainty to taxpayers and competent authorities on the availability of the mutual agreement procedure, a minimum period of three years for submission of a MAP request, beginning on the date of the first notification of the action resulting in taxation not in accordance with the provisions of the tax treaty, is the baseline.

Current situation of Andorra's tax treaties

Inclusion of Article 25(1), first sentence of the OECD Model Tax Convention

18. One of Andorra's eight tax treaties contains a provision equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2017), as amended by the Action 14 final report (OECD, 2015b) and allowing taxpayers to submit a MAP request to the competent authority of either state when they consider that the actions of one or both of the treaty partners result or will result for the taxpayer in taxation not in accordance with the provisions of the tax treaty and that can be requested irrespective of the remedies provided by domestic law of either state. Furthermore, the remaining seven tax treaties contain a provision equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a) as it read prior to the adoption of the Action 14 final report (OECD, 2015b), allowing taxpayers to submit a MAP request to the competent authority of the state in which they are resident.

Inclusion of Article 25(1), second sentence of the OECD Model Tax Convention

19. All of the Andorra's eight tax treaties contain a provision equivalent to Article 25(1), second sentence, of the OECD Model Tax Convention (OECD, 2017) allowing taxpayers to submit a MAP request within a period of no less than three years from the first notification of the action resulting in taxation not in accordance with the provisions of the particular tax treaty.

Peer input

20. No peer input was provided during stage 1.

Practical application*Article 25(1), first sentence, of the OECD Model Tax Convention*

21. As indicated in paragraph 18 above, all of Andorra's eight tax treaties contain a provision allowing taxpayers to file a MAP request irrespective of domestic remedies. In this respect, Andorra indicated that nothing in its domestic law, policy or practice prevents a taxpayer from requesting MAP assistance where the taxpayer has sought to resolve the issue under dispute via the judicial and administrative remedies provided by the domestic law of Andorra. Further, Andorra reported that it would grant access to MAP even in cases where there is a pending administrative or judicial proceeding or if an administrative or court decision has been issued regarding the same subject matter. However, Andorra noted that its competent authority cannot derogate from a court decision in MAP and therefore it will only seek to resolve the MAP case by having the treaty partner provide for correlative relief in line with the decision of its court.

Recent developments*Multilateral Instrument*

22. Andorra signed the Multilateral Instrument and deposited its instrument of ratification on 29 September 2021. The Multilateral Instrument for Andorra entered into force on 1 January 2022.

23. Article 16(4)(a)(i) of that instrument stipulates that Article 16(1), first sentence – containing the equivalent of Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2017) as amended by the Action 14 final report (OECD, 2015b) and allowing the submission of MAP requests to the competent authority of either contracting state – will apply in place of or in the absence of a provision in tax treaties that is equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a) as it read prior to the adoption of the Action 14 final report (OECD, 2015b). However, this shall only apply if both contracting parties to the applicable tax treaty have listed this tax treaty as a covered tax agreement under the Multilateral Instrument and insofar as both notified the depositary, pursuant to Article 16(6)(a), that this treaty contains the equivalent of Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a) as it read prior to the adoption of the Action 14 final report (OECD, 2015b). Article 16(4)(a)(i) will for a tax treaty not take effect if one of the treaty partners has, pursuant to Article 16(5)(a), reserved the right not to apply the first sentence of Article 16(1) of that instrument to all of its covered tax agreements.

24. With the deposit of its instrument of ratification, Andorra opted, pursuant to Article 16(4)(a)(i) of that instrument, to introduce in all of its tax treaties a provision that is equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2017) as amended by the Action 14 final report (OECD, 2015b), allowing taxpayers to submit a MAP request to the competent authority of either contracting state. In other words, where under Andorra tax treaties taxpayers currently have to submit a MAP request to the competent authority of the contracting state of which a resident, Andorra opted to modify its treaties allowing taxpayers to submit a MAP request to the competent authority of either contracting state. In this respect, Andorra listed seven of its eight treaties as a covered tax agreement under the Multilateral Instrument and made for all a notification, on the basis of Article 16(6)(a), that they contain a provision that is equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a) as it read prior to the adoption of the Action 14 final report (OECD, 2015b). None of these seven treaties concern the treaty mentioned in paragraph 18 above that already allows the submission of a MAP request to either competent authority.

25. All of the relevant seven treaties partners are a signatory to the Multilateral Instrument and listed their treaty with Andorra as a covered tax agreement under that instrument, but two reserved, pursuant to Article 16(5)(a), the right not to apply the first sentence of Article 16(1) to its existing tax treaties, with a view to allow taxpayers to submit a MAP request to the competent authority of either contracting state. The remaining five treaty partners have also listed their treaty with Andorra as having a provision that is equivalent of Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a) as it read prior to the adoption of the Action 14 final report (OECD, 2015b).

26. With respect to these five treaties, all relevant treaty partners have already deposited their instrument of ratification of the Multilateral Instrument, following which the Multilateral Instrument has entered into force for the treaties between Andorra and these treaty partners, and therefore has modified these treaties to include the equivalent of Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2017) as amended by the Action 14 final report (OECD, 2015b).

Peer input

27. No peer input was provided.

Anticipated modifications

28. Andorra reported it will seek to include Article 25(1), first and second sentence, of the OECD Model Tax Convention (OECD, 2017) as amended by the Action 14 final report (OECD, 2015b) in all of its future tax treaties.

Conclusion

	Areas for improvement	Recommendations
[B.1]	-	-

[B.2] Allow submission of MAP requests to the competent authority of either treaty partner, or, alternatively, introduce a bilateral consultation or notification process

Jurisdictions should ensure that either (i) their tax treaties contain a provision which provides that the taxpayer can make a request for MAP assistance to the competent authority of either Contracting Party, or (ii) where the treaty does not permit a MAP request to be made to either Contracting Party and the competent authority who received the MAP request from the taxpayer does not consider the taxpayer's objection to be justified, the competent authority should implement a bilateral consultation or notification process which allows the other competent authority to provide its views on the case (such consultation shall not be interpreted as consultation as to how to resolve the case).

29. In order to ensure that all competent authorities concerned are aware of MAP requests submitted, for a proper consideration of the request by them and to ensure that taxpayers have effective access to MAP in eligible cases, it is essential that all tax treaties contain a provision that either allows taxpayers to submit a MAP request to the competent authority:

- i. of either treaty partner; or, in the absence of such provision,
- ii. where it is a resident, or to the competent authority of the state of which they are a national if their cases come under the non-discrimination article. In such cases, jurisdictions should have in place a bilateral consultation or notification process where a competent authority considers the objection raised by the taxpayer in a MAP request as being not justified.

Domestic bilateral consultation or notification process in place

30. As discussed under element B.1, out of Andorra's eight treaties, one currently contains a provision equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2017) as amended by the Action 14 final report (OECD, 2015b), allowing taxpayers to submit a MAP request to the competent authority of either treaty partner. In addition, as was also discussed under element B.1, five of these eight treaties have been modified by the Multilateral Instrument to allow taxpayers to submit a MAP request to the competent authority of either treaty partner.

31. As regards the remaining treaties, Andorra reported that it has not introduced a bilateral consultation or notification process that allows the other competent authority concerned to provide its views on the case when Andorra's competent authority considers the objection raised in the MAP request not to be justified.

Recent developments

32. There are no recent developments with respect to element B.2.

Practical application

Period 1 January 2016-31 August 2019 (stage 1)

33. Andorra reported that in the period 1 January 2016-31 August 2019 its competent authority has not been involved in any MAP cases.

34. No peer input was provided.

Period 1 September 2019-30 April 2021 (stage 2)

35. Andorra reported that also since 1 September 2019, its competent authority has not been involved in any MAP cases

36. No peer input was provided.

Anticipated modifications

37. Andorra indicated that it will introduce a bilateral consultation process for those situations where its competent authority considers an objection raised in a MAP request as being not justified, where the treaty concerned does not allow the taxpayer to submit the MAP request before either competent authority. This process will be documented by internal communication mentioning the information that would be shared with the other competent authority and the timing of the communication. Andorra noted that it will use the template for “Notification or Bilateral consultation when an objection is considered as not justified”, which will be attached to Andorra’s internal guidance. Andorra clarified that it expects this mechanism to be put in place in early 2022.

Conclusion

	Areas for improvement	Recommendations
[B.2]	Seven of the eight treaties do not contain a provision equivalent to Article 25(1) of the OECD Model Tax Convention (OECD, 2017) as amended by the Action 14 final report (OECD, 2015b), allowing taxpayers to submit a MAP request to the competent authority of either treaty partner. For these treaties no documented bilateral consultation or notification process is in place, which allows the other competent authority concerned to provide its views on the case when the taxpayer’s objection raised in the MAP request is considered not to be justified.	Andorra should without further delay follow up on its stated intention to document its bilateral notification process and provide in that document rules of procedure on how that process should be applied in practice, including the steps to be followed and timing of these steps. Furthermore, Andorra should apply its notification process for future cases in which its competent authority considered the objection raised in a MAP request not to be justified and when the tax treaty concerned does not contain Article 25(1) of the OECD Model Tax Convention (OECD, 2017) as amended by the Action 14 final report (OECD, 2015b).

[B.3] Provide access to MAP in transfer pricing cases

Jurisdictions should provide access to MAP in transfer pricing cases.

38. Where two or more tax administrations take different positions on what constitutes arm’s length conditions for specific transactions between associated enterprises, economic double taxation may occur. Not granting access to MAP with respect to a treaty partner’s transfer pricing adjustment, with a view to eliminating the economic double taxation that may arise from such adjustment, will likely frustrate the main objective of tax treaties. Jurisdictions should thus provide access to MAP in transfer pricing cases.

Legal and administrative framework

39. All of Andorra’s eight tax treaties contain a provision equivalent to Article 9(2) of the OECD Model Tax Convention (OECD, 2017) requiring their state to make a correlative adjustment in case a transfer pricing adjustment is imposed by the treaty partner.

40. Access to MAP should be provided in transfer pricing cases regardless of whether the equivalent of Article 9(2) is contained in Andorra's tax treaties and irrespective of whether its domestic legislation enables the granting of corresponding adjustments. In accordance with element B.3, as translated from the Action 14 Minimum Standard, Andorra indicated that it will always provide access to MAP for transfer pricing cases and is willing to make corresponding adjustments.

Recent developments

41. There are no recent developments with respect to element B.3.

Application of legal and administrative framework in practice

Period 1 January 2016-31 August 2019 (stage 1)

42. Andorra reported that in the period 1 January 2016-31 August 2019, it has not denied access to MAP on the basis that the case concerned a transfer pricing case. However, no such cases were received during this period.

43. No peer input was provided.

Period 1 September 2019-30 April 2021 (stage 2)

44. Andorra reported that also since 1 September 2019, it has for none of the MAP requests it received denied access to MAP on the basis that the case concerned was a transfer pricing case. However, no such cases were received since that date.

45. No peer input was provided.

Anticipated modifications

46. Andorra reported that it is in favour of including Article 9(2) of the OECD Model Tax Convention (OECD, 2017) in its tax treaties where possible and that it will seek to include this provision in all of its future tax treaties. Other than this, Andorra did not indicate that it anticipates any modifications in relation to element B.3.

Conclusion

	Areas for improvement	Recommendations
[B.3]	-	-

[B.4] Provide access to MAP in relation to the application of anti-abuse provisions

Jurisdictions should provide access to MAP in cases in which there is a disagreement between the taxpayer and the tax authorities making the adjustment as to whether the conditions for the application of a treaty anti-abuse provision have been met or as to whether the application of a domestic law anti-abuse provision is in conflict with the provisions of a treaty.

47. There is no general rule denying access to MAP in cases of perceived abuse. In order to protect taxpayers from arbitrary application of anti-abuse provisions in tax treaties and in order to ensure that competent authorities have a common understanding on such application, it is important that taxpayers have access to MAP if they consider

the interpretation and/or application of a treaty anti-abuse provision as being incorrect. Subsequently, to avoid cases in which the application of domestic anti-abuse legislation is in conflict with the provisions of a tax treaty, it is also important that taxpayers have access to MAP in such cases.

Legal and administrative framework

48. None of Andorra’s eight tax treaties allow competent authorities to restrict access to MAP for cases where a treaty anti-abuse provision applies or where there is a disagreement between the taxpayer and the tax authorities as to whether the application of a domestic law anti-abuse provision is in conflict with the provisions of a tax treaty. In addition, also the domestic law and/or administrative processes of Andorra do not include a provision allowing its competent authority to limit access to MAP for cases in which there is a disagreement between the taxpayer and the tax authorities as to whether the conditions for the application of a domestic law anti-abuse provision are in conflict with the provisions of a tax treaty.

Recent developments

49. There are no recent developments with respect to element B.4.

Practical application

Period 1 January 2016-31 August 2019 (stage 1)

50. Andorra reported that 1 January 2016-31 August 2019 it has not denied access to MAP in any cases in which there was a disagreement between the taxpayer and the tax authorities as to whether the conditions for the application of a treaty anti-abuse provision have been met, or as to whether the application of a domestic law anti-abuse provision is in conflict with the provisions of a tax treaty. However, its competent authority has not received any MAP request from a taxpayer since that date.

51. No peer input was provided.

Period 1 September 2019-30 April 2021 (stage 2)

52. Andorra reported that since 1 September 2019 it has also not denied access to MAP in cases in which there was a disagreement between the taxpayer and the tax authorities as to whether the conditions for the application of a treaty anti-abuse provision have been met, or as to whether the application of a domestic law anti-abuse provision is in conflict with the provisions of a tax treaty. However, no such cases in relation hereto were received since that date either.

53. No peer input was provided.

Anticipated modifications

54. Andorra indicated that it does not anticipate any modifications in relation to element B.4.

Conclusion

	Areas for improvement	Recommendations
[B.4]	-	-

[B.5] Provide access to MAP in cases of audit settlements

Jurisdictions should not deny access to MAP in cases where there is an audit settlement between tax authorities and taxpayers. If jurisdictions have an administrative or statutory dispute settlement/resolution process independent from the audit and examination functions and that can only be accessed through a request by the taxpayer, jurisdictions may limit access to the MAP with respect to the matters resolved through that process.

55. An audit settlement procedure can be valuable to taxpayers by providing certainty on their tax position. Nevertheless, as double taxation may not be fully eliminated by agreeing on such settlements, taxpayers should have access to the MAP in such cases, unless they were already resolved via an administrative or statutory disputes settlement/resolution process that functions independently from the audit and examination function and which is only accessible through a request by taxpayers.

Legal and administrative framework

Audit settlements

56. Under Andorra's domestic law it is not possible that taxpayers and the tax administration enter into an audit settlement.¹

Administrative or statutory dispute settlement/resolution process

57. Andorra reported it does not have an administrative or statutory dispute settlement/resolution process in place, which is independent from the audit and examination functions and which can only be accessed through a request by the taxpayer.

Recent developments

58. There are no recent developments with respect to element B.5.

Practical application

Period 1 January 2016-31 August 2019 (stage 1)

59. Andorra reported that 1 January 2016-31 August 2019 it has not denied access to MAP for cases where the issue presented by the taxpayer in a MAP request has already been resolved through an audit settlement between the taxpayer and the tax administration, which is explained by the fact that such settlements are not possible in Andorra.

60. No peer input was provided.

Period 1 September 2019-30 April 2021 (stage 2)

61. Andorra reported that since 1 September 2019, it has also not denied access to MAP for cases where the issue presented by the taxpayer has already been dealt with in an audit settlement between the taxpayer and the tax administration, since such settlements are still not possible in Andorra.

62. No peer input was provided.

Anticipated modifications

63. Andorra indicated that it does not anticipate any modifications in relation to element B.5.

Conclusion

	Areas for improvement	Recommendations
[B.5]	-	-

[B.6] Provide access to MAP if required information is submitted

Jurisdictions should not limit access to MAP based on the argument that insufficient information was provided if the taxpayer has provided the required information based on the rules, guidelines and procedures made available to taxpayers on access to and the use of MAP.

64. To resolve cases where there is taxation not in accordance with the provisions of the tax treaty, it is important that competent authorities do not limit access to MAP when taxpayers have complied with the information and documentation requirements as provided in the jurisdiction's guidance relating hereto. Access to MAP will be facilitated when such required information and documentation is made publicly available.

Legal framework on access to MAP and information to be submitted

65. Currently, there are no specific domestic legislative provisions or guidance pertaining to the MAP process published in Andorra and thus, there is no information on the required information/documentation to be provided by the taxpayer and the process when not all required information/documentation is provided by the taxpayer. Andorra reported that this subject will be addressed in its forthcoming MAP guidance.

66. Andorra noted that irrespective, its domestic legislation provides for minimum requirements in any request in cases where a tax procedure is initiated by the request of a taxpayer, which would cover MAP requests as well. Andorra clarified that its legislation also establishes that when a taxpayer does not meet the necessary requirements, Andorra's tax administration would notify the concerned taxpayer and provide a period of ten days for the taxpayer to provide the missing information.

Recent developments

67. There are no recent developments with respect to element B.6.

Practical application***Period 1 January 2016-31 August 2019 (stage 1)***

68. Andorra reported that in the period 1 January 2016-31 August 2019 it has not denied access to MAP for cases where the taxpayer had provided the required information or documentation, which can be clarified by the fact that no MAP cases have arisen in Andorra during this period.

69. No peer input was provided.

Period 1 September 2019-30 April 2021 (stage 2)

70. Andorra reported that since 1 September 2019 its competent authority has also not denied access to MAP for cases where the taxpayer had provided the required information or documentation, which can be clarified by the fact that no MAP cases have arisen in Andorra during this period either.

71. No peer input was provided.

Anticipated modifications

72. Andorra indicated that it does not anticipate any modifications in relation to element B.6.

Conclusion

	Areas for improvement	Recommendations
[B.6]	-	-

[B.7] Include Article 25(3), second sentence, of the (OECD in tax treaties

Jurisdictions should ensure that their tax treaties contain a provision under which competent authorities may consult together for the elimination of double taxation in cases not provided for in their tax treaties.

73. For ensuring that tax treaties operate effectively and in order for competent authorities to be able to respond quickly to unanticipated situations, it is useful that tax treaties include the second sentence of Article 25(3) of the OECD Model Tax Convention (OECD, 2017), enabling them to consult together for the elimination of double taxation in cases not provided for by these treaties.

Current situation of Andorra's tax treaties

74. All of the Andorra's eight tax treaties contain a provision equivalent to Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017) allowing their competent authorities to consult together for the elimination of double taxation in cases not provided for in their tax treaties.

75. No peer input was provided during stage 1.

Recent developments***Peer input***

76. No peer input was provided.

Anticipated modifications

77. Andorra reported it will seek to include Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017) in all of its future tax treaties.

Conclusion

	Areas for improvement	Recommendations
[B.7]	-	-

[B.8] Publish clear and comprehensive MAP guidance

Jurisdictions should publish clear rules, guidelines and procedures on access to and use of the MAP and include the specific information and documentation that should be submitted in a taxpayer's request for MAP assistance.

78. Information on a jurisdiction's MAP regime facilitates the timely initiation and resolution of MAP cases. Clear rules, guidelines and procedures on access to and use of the MAP are essential for making taxpayers and other stakeholders aware of how a jurisdiction's MAP regime functions. In addition, to ensure that a MAP request is received and will be reviewed by the competent authority in a timely manner, it is important that a jurisdiction's MAP guidance clearly and comprehensively explains how a taxpayer can make a MAP request and what information and documentation should be included in such request.

Andorra's MAP guidance

79. Apart from the information available in Andorra's MAP profile, rules, guidelines and procedures on MAP are not publicly available in Andorra as yet. In particular, the information that the FTA MAP Forum agreed should be included in a jurisdiction's MAP guidance², which concerns: (i) contact information of the competent authority or the office in charge of MAP cases and (ii) the manner and form in which the taxpayer should submit its MAP request is not publically available.

Information and documentation to be included in a MAP request

80. To facilitate the review of a MAP request by competent authorities and to have more consistency in the required content of MAP requests, the FTA MAP Forum agreed on guidance that jurisdictions could use in their domestic guidance on what information and documentation taxpayers need to include in request for MAP assistance.³ This agreed guidance is shown below.

- identity of the taxpayer(s) covered in the MAP request
- the basis for the request
- facts of the case
- analysis of the issue(s) requested to be resolved via MAP
- whether the MAP request was also submitted to the competent authority of the other treaty partner
- whether the MAP request was also submitted to another authority under another instrument that provides for a mechanism to resolve treaty-related disputes
- whether the issue(s) involved were dealt with previously
- a statement confirming that all information and documentation provided in the MAP request is accurate and that the taxpayer will assist the competent authority in its resolution of the issue(s) presented in the MAP request by furnishing any other information or documentation required by the competent authority in a timely manner.

Recent developments

81. There are no recent developments with respect to element B.8.

Anticipated modifications

82. Andorra reported that it is in the process of finalising a draft law amending the Law 21/2014, of 16 October, on Taxation, which includes provisions addressing MAP in Andorra's tax treaties. Andorra noted that once this law is approved, its government would approve the issuance of its MAP guidance by way of regulations. Andorra clarified that these Regulations would be published in Andorra's official gazette, but would not require parliamentary approval.

Conclusion

	Areas for improvement	Recommendations
[B.8]	There is no published MAP guidance.	Andorra should without further delay introduce clear and comprehensive MAP guidance. This guidance should in any case include (i) contact details of the competent authority or office in charge of MAP cases and (ii) manner and form in which the taxpayer should submit its MAP request.
	No guidance is available on what information taxpayers should include in their MAP request.	Andorra should include in its to be published MAP guidance information on the manner and form in which taxpayers should submit their MAP request.

[B.9] Make MAP guidance available and easily accessible and publish MAP profile

Jurisdictions should take appropriate measures to make rules, guidelines and procedures on access to and use of the MAP available and easily accessible to the public and should publish their jurisdiction MAP profiles on a shared public platform pursuant to the agreed template.

83. The public availability and accessibility of a jurisdiction's MAP guidance increases public awareness on access to and the use of the MAP in that jurisdiction. Publishing MAP profiles on a shared public platform further promotes the transparency and dissemination of the MAP programme.⁴

Rules, guidelines and procedures on access to and use of the MAP

84. As mentioned under element B.8, Andorra has not published any MAP guidance.

MAP profile

85. Andorra's MAP profile is published on the website of the OECD. This MAP profile is complete and includes additional information where necessary.

Recent developments

86. There are no recent developments with respect to element B.9.

Anticipated modifications

87. Andorra indicated that it anticipates publishing its MAP guidance under preparation in both Catalan and English on the website of the Ministry of Finance.

Conclusion

	Areas for improvement	Recommendations
[B.9]	The MAP guidance is not publicly available.	Andorra should make its MAP guidance currently in preparation publicly available and easily accessible. Its MAP profile, published on the shared public platform, should be updated once Andorra's MAP guidance has been introduced.

[B.10] Clarify in MAP guidance that audit settlements do not preclude access to MAP

Jurisdictions should clarify in their MAP guidance that audit settlements between tax authorities and taxpayers do not preclude access to MAP. If jurisdictions have an administrative or statutory dispute settlement/resolution process independent from the audit and examination functions and that can only be accessed through a request by the taxpayer, and jurisdictions limit access to the MAP with respect to the matters resolved through that process, jurisdictions should notify their treaty partners of such administrative or statutory processes and should expressly address the effects of those processes with respect to the MAP in their public guidance on such processes and in their public MAP programme guidance.

88. As explained under element B.5, an audit settlement can be valuable to taxpayers by providing certainty to them on their tax position. Nevertheless, as double taxation may not be fully eliminated by agreeing with such settlements, it is important that a jurisdiction's MAP guidance clarifies that in case of audit settlement taxpayers have access to the MAP. In addition, for providing clarity on the relationship between administrative or statutory dispute settlement or resolution processes and the MAP (if any), it is critical that both the public guidance on such processes and the public MAP programme guidance address the effects of those processes, if any. Finally, as the MAP represents a collaborative approach between treaty partners, it is helpful that treaty partners are notified of each other's MAP programme and limitations thereto, particularly in relation to the previously mentioned processes.

MAP and audit settlements in the MAP guidance

89. As previously discussed under B.5, it is not possible under Andorra's domestic law that taxpayers and the tax administration enter into audit settlements.

90. No peer input was provided.

MAP and other administrative or statutory dispute settlement/resolution processes in available guidance

91. As previously mentioned under element B.5, Andorra does not have an administrative or statutory dispute settlement/resolution process in place that is independent from the audit and examination functions and that can only be accessed through a request by the taxpayer. In that regard, there is no need to address the effects of such process with respect to MAP in Andorra's MAP guidance.

92. No peer input was provided.

Notification of treaty partners of existing administrative or statutory dispute settlement/resolution processes

93. As Andorra does not have an internal administrative or statutory dispute settlement/resolution process in place, there is no need for notifying treaty partners of such process.

Recent developments

94. There are no recent developments with respect to element B.10.

Anticipated modifications

95. Andorra indicated that it does not anticipate any modifications in relation to element B.10.

Conclusion

	Areas for improvement	Recommendations
[B.10]	-	-

Notes

1. In the stage 1 peer review report it was reported that Andorra had in place a de facto audit settlement mechanism. However, as the reduction in penalties are part of Andorra’s tax legislation itself and not based on the discretion of or any agreement with any authority, this mechanism is not considered an audit settlement in the stage 2 report.
2. Available at: www.oecd.org/tax/beps/beps-action-14-on-more-effective-dispute-resolution-peer-review-documents.pdf.
3. Available at: www.oecd.org/tax/beps/beps-action-14-on-more-effective-dispute-resolution-peer-review-documents.pdf.
4. The shared public platform can be found at: www.oecd.org/ctp/dispute/country-map-profiles.htm.

References

- OECD (2015a), *Model Tax Convention on Income and on Capital 2014 (Full Version)*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264239081-en>.
- OECD (2015b), “Making Dispute Resolution Mechanisms More Effective, Action 14 – 2015 Final Report”, in *OECD/G20 Base Erosion and Profit Shifting Project*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264241633-en>.
- OECD (2017), *Model Tax Convention on Income and on Capital 2017 (Full Version)*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/g2g972ee-en>.

Part C

Resolution of MAP cases

[C.1] Include Article 25(2), first sentence, of the OECD Model Tax Convention in tax treaties

Jurisdictions should ensure that their tax treaties contain a provision which requires that the competent authority who receives a MAP request from the taxpayer, shall endeavour, if the objection from the taxpayer appears to be justified and the competent authority is not itself able to arrive at a satisfactory solution, to resolve the MAP case by mutual agreement with the competent authority of the other Contracting Party, with a view to the avoidance of taxation which is not in accordance with the tax treaty.

96. It is of critical importance that in addition to allowing taxpayers to request for a MAP, tax treaties also include the equivalent of the first sentence of Article 25(2) of the OECD Model Tax Convention (OECD, 2017), which obliges competent authorities, in situations where the objection raised by taxpayers are considered justified and where cases cannot be unilaterally resolved, to enter into discussions with each other to resolve cases of taxation not in accordance with the provisions of a tax treaty.

Current situation of Andorra's tax treaties

97. All of Andorra's eight tax treaties contain a provision equivalent to Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017) requiring its competent authority to endeavour – when the objection raised is considered justified and no unilateral solution is possible – to resolve by mutual agreement with the competent authority of the other treaty partner the MAP case with a view to the avoidance of taxation which is not in accordance with the tax treaty.

98. No peer input was provided during stage 1.

Recent developments

Peer input

99. No peer input was provided.

Anticipated modifications

100. Andorra reported it will seek to include Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017) in all of its future tax treaties.

Conclusion

	Areas for improvement	Recommendations
[C.1]	-	-

[C.2] Seek to resolve MAP cases within a 24-month average timeframe

Jurisdictions should seek to resolve MAP cases within an average time frame of 24 months. This time frame applies to both jurisdictions (i.e. the jurisdiction which receives the MAP request from the taxpayer and its treaty partner).

101. As double taxation creates uncertainties and leads to costs for both taxpayers and jurisdictions, and as the resolution of MAP cases may also avoid (potential) similar issues for future years concerning the same taxpayers, it is important that MAP cases are resolved swiftly. A period of 24 months is considered as an appropriate time period to resolve MAP cases on average.

Reporting of MAP statistics

102. The FTA MAP Forum has agreed on rules for reporting of MAP statistics (“**MAP Statistics Reporting Framework**”) for MAP requests submitted on or after 1 January 2016 (“**post-2015 cases**”). Also, for MAP requests submitted prior to that date (“**pre-2016 cases**”), the FTA MAP Forum agreed to report MAP statistics on the basis of an agreed template. Andorra did not provide its MAP statistics for 2016-18 pursuant to the MAP Statistics Reporting Framework within the given deadline, but did so for 2019 and 2020. The statistics discussed below include both pre-2016 and post-2015 cases and they are attached to this report as Annex B and Annex C respectively, showing that Andorra has not been involved in any MAP cases since 1 January 2016. As Andorra has not been involved in any MAP cases, it was not necessary to match its statistics with its treaty partners.

Monitoring of MAP statistics

103. As Andorra has never been involved in a MAP case, it has no system in place that communicates, monitors and manages with its treaty partners the MAP caseload.

104. Despite not having received any MAP requests, Andorra reported that any future MAP statistics will be compiled by its competent authority. Andorra indicated that the competent authority will be responsible for monitoring MAP cases inventory, new MAP requests, the outcomes as well as the time needed to resolve MAP cases.

Analysis of Andorra’s MAP caseload

105. Andorra has not been involved in any MAP cases during the Statistics Reporting Period.

Overview of cases closed during the Statistics Reporting Period

106. Andorra has not been involved in any MAP cases during the Statistics Reporting Period.

Average timeframe needed to resolve MAP cases

107. Andorra has not been involved in any MAP cases during the Statistics Reporting Period.

Peer input

108. No peer input was provided.

Recent developments

109. There are no recent developments with respect to element C.2.

Anticipated modifications

110. Andorra indicated that it does not anticipate any modifications in relation to element C.2.

Conclusion

	Areas for improvement	Recommendations
[C.2]	-	-

[C.3] Provide adequate resources to the MAP function

Jurisdictions should ensure that adequate resources are provided to the MAP function.

111. Adequate resources, including personnel, funding and training, are necessary to properly perform the competent authority function and to ensure that MAP cases are resolved in a timely, efficient and effective manner.

Description of Andorra's competent authority

112. Under Andorra's tax treaties, the competent authority function is assigned to the Minister of Finance or his authorised representative. This duty has been delegated to the Secretary of State for International Financial Matters and to the General Director of the Tax Administration. In practice, the functions of the competent authority are performed by a team of five staff members from within the tax administration, comprising the general director of the tax administration, the deputy director of tax management and taxpayers assistance, the chief of tax management, the chief of taxpayers assistance and a specialised technical tax agent that will be assigned depending on the tax being object of the MAP case. These members would deal partly with any MAP cases that may arise along with other tasks such as tax treaty negotiations, among others tax matters. This is further discussed under element C.4.

113. Andorra further reported that any necessary adjustments to the level of resources available in its competent authority and specific training to staff will be discussed when necessary.

Monitoring mechanism

114. As discussed under element C.2, Andorra has not been involved in any MAP cases during the Statistics Reporting Period, so it does not have a monitoring mechanism of available resources at this point.

Recent developments

115. There are no recent developments with respect to element C.3.

Practical application***MAP statistics***

116. As discussed under element C.2, Andorra's competent authority has not yet been involved in any MAP cases during the Statistics Reporting Period.

Peer input

117. No peer input was provided.

Anticipated modifications

118. Andorra indicated that it does not anticipate any modifications in relation to element C.3.

Conclusion

	Areas for improvement	Recommendations
[C.3]	-	-

[C.4] Ensure staff in charge of MAP has the authority to resolve cases in accordance with the applicable tax treaty

Jurisdictions should ensure that the staff in charge of MAP processes have the authority to resolve MAP cases in accordance with the terms of the applicable tax treaty, in particular without being dependent on the approval or the direction of the tax administration personnel who made the adjustments at issue or being influenced by considerations of the policy that the jurisdictions would like to see reflected in future amendments to the treaty.

119. Ensuring that staff in charge of MAP can and will resolve cases, absent any approval/direction by the tax administration personnel directly involved in the adjustment and absent any policy considerations, contributes to a principled and consistent approach to MAP cases.

Functioning of staff in charge of MAP

120. Andorra reported that the staff in charge of MAP are part of the tax administration, as well as the staff in charge of tax audits. Nevertheless, Andorra clarified that its functions are organisationally separated except in the case of the General Director of the tax administration, who has powers in both areas. Andorra noted that even though the General Director has powers in both areas, MAP outcomes have to be reached by a committee, constituted not just by the General Director of the tax administration, but also by other authorities that have to agree on the outcome. Andorra clarified in this regard that the General Director of the tax administration would not be actively involved in the same case at the audit level and during MAP together in a way exceeding the usual involvement of a high level superior for final approval.

121. Andorra clarified that its competent authority is also responsible for the treaty negotiation, general interpretation of tax treaties and other tasks. Andorra further clarified

that any decisions on MAP will be based on the applicable tax treaty and not influenced by any proposed future amendments to the treaty. Andorra further noted that this structure appears to be adequate owing to the small size of its tax administration and the absence of MAP requests at this point.

122. In regard of the above, Andorra reported that staff in charge of MAP in practices operates independently and has the authority to resolve MAP cases without being dependent on the approval/direction of the tax administration personnel directly involved in the adjustment and the process for negotiating MAP agreements is not influenced by policy considerations that Andorra would like to see reflected in future amendments to the treaty.

Recent developments

123. There are no recent developments with respect to element C.4.

Practical application

124. No peer input was provided.

Anticipated modifications

125. Andorra indicated that it does not anticipate any modifications in relation to element C.4.

Conclusion

	Areas for improvement	Recommendations
[C.4]	-	-

[C.5] Use appropriate performance indicators for the MAP function

Jurisdictions should not use performance indicators for their competent authority functions and staff in charge of MAP processes based on the amount of sustained audit adjustments or maintaining tax revenue.

126. For ensuring that each case is considered on its individual merits and will be resolved in a principled and consistent manner, it is essential that any performance indicators for the competent authority function and for the staff in charge of MAP processes are appropriate and not based on the amount of sustained audit adjustments or aim at maintaining a certain amount of tax revenue.

Performance indicators used by Andorra

127. As Andorra has not yet received a MAP request, it reported that at the time of review performance indicators have not yet been set for the MAP office.

128. The Action 14 final report (OECD, 2015) includes examples of performance indicators that are considered appropriate. These indicators are shown below in bullet form:

- number of MAP cases resolved
- consistency (i.e. a treaty should be applied in a principled and consistent manner to MAP cases involving the same facts and similarly-situated taxpayers)

- time taken to resolve a MAP case (recognising that the time taken to resolve a MAP case may vary according to its complexity and that matters not under the control of a competent authority may have a significant impact on the time needed to resolve a case).

129. Although Andorra does not use any of these performance indicators, it reported that it does not use any performance indicators for staff in charge of MAP that are related to the outcome of MAP discussions in terms of the amount of sustained audit adjustments or maintained tax revenue. In other words, staff in charge of MAP is not evaluated on the basis of the material outcome of MAP discussions.

Recent developments

130. There are no recent developments with respect to element C.5.

Practical application

131. No peer input was provided.

Anticipated modifications

132. Andorra indicated that it does not anticipate any modifications in relation to element C.5.

Conclusion

	Areas for improvement	Recommendations
[C.5]	-	-

[C.6] Provide transparency with respect to the position on MAP arbitration

Jurisdictions should provide transparency with respect to their positions on MAP arbitration.

133. The inclusion of an arbitration provision in tax treaties may help ensure that MAP cases are resolved within a certain timeframe, which provides certainty to both taxpayers and competent authorities. In order to have full clarity on whether arbitration as a final stage in the MAP process can and will be available in jurisdictions it is important that jurisdictions are transparent on their position on MAP arbitration.

Position on MAP arbitration

134. As clarified in Andorra's MAP profile, Andorra reported that although it has no domestic law limitations for including MAP arbitration in its tax treaties, none of the tax treaties currently in force includes a MAP provision.

Recent developments

135. Andorra signed the Multilateral Instrument and has deposited its instrument of ratification on 29 September 2021. The Multilateral Instrument has entered into force for Andorra on 1 January 2022. With the depositing of the instrument of ratification, Andorra also opted in for part VI, which includes a mandatory and binding arbitration provision. The effects of this opting in is also further described below.

Practical application

136. To date, Andorra has incorporated an arbitration clause in none of its eight treaties as a final stage to the MAP.

137. In addition, with respect to the effect of part VI of the Multilateral Instrument on Andorra’s tax treaties, there are next to Andorra in total 30 signatories to this instrument that also opted for part VI. Concerning these 30 signatories, Andorra listed six as a covered tax agreement under the Multilateral Instrument and all of these six treaty partners also listed their treaty with Andorra under that instrument. All of these six treaty partners have already deposited their instrument of ratification. In this respect, part VI will apply to these six treaties and introduce the arbitration provision of the Multilateral Instrument in these treaties.

Anticipated modifications

138. Andorra indicated that it does not anticipate any modifications in relation to element C.6.

Conclusion

	Areas for improvement	Recommendations
[C.6]	-	-

References

- OECD (2015), “Making Dispute Resolution Mechanisms More Effective, Action 14 – 2015 Final Report”, in *OECD/G20 Base Erosion and Profit Shifting Project*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264241633-en>.
- OECD (2017), *Model Tax Convention on Income and on Capital 2017 (Full Version)*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/g2g972ee-en>.

Part D

Implementation of MAP agreements

[D.1] Implement all MAP agreements

Jurisdictions should implement any agreement reached in MAP discussions, including by making appropriate adjustments to the tax assessed in transfer pricing cases.

139. In order to provide full certainty to taxpayers and the jurisdictions, it is essential that all MAP agreements are implemented by the competent authorities concerned.

Legal framework to implement MAP agreements

140. Andorra indicated that all MAP agreements will be implemented notwithstanding time limits in its domestic laws, and that this would apply even in the absence of the equivalent of Article 25(2), second sentence of the OECD Model Tax Convention (OECD, 2017).

141. As Andorra has not published its MAP guidance so far, there is a lack of available information on the process of implementing MAP agreements. Andorra noted that as a result of the MAP agreement reached, a tax settlement will be determined and on that basis the corresponding adjustment would be made. Andorra further clarified that the taxpayer will be notified in writing of the decision reached and in the case that the taxpayer has presented his case to the competent authority of the other Contracting State, Andorra's competent authority would also inform the taxpayer in writing of the effects of the reaching agreement with the other Contracting State.

Recent developments

142. There are no recent developments with respect to element D.1.

Practical application

Period 1 January 2016-31 August 2019 (stage 1)

143. Andorra reported that no MAP agreements requiring implementation were reached in the period 1 January 2016-31 August 2019.

144. No peer input was provided.

Period 1 September 2019-30 April 2021 (stage 2)

145. Andorra reported that no MAP agreements requiring implementation were reached since 1 September 2019 as well.

146. No peer input was provided.

Anticipated modifications

147. Andorra indicated that it intends to provide more details on the implementation of MAP agreements in its forthcoming MAP guidance.

Conclusion

	Areas for improvement	Recommendations
[D.1]	-	-

[D.2] Implement all MAP agreements on a timely basis

Agreements reached by competent authorities through the MAP process should be implemented on a timely basis.

148. Delay of implementation of MAP agreements may lead to adverse financial consequences for both taxpayers and competent authorities. To avoid this and to increase certainty for all parties involved, it is important that the implementation of any MAP agreement is not obstructed by procedural and/or statutory delays in the jurisdictions concerned.

Theoretical timeframe for implementing mutual agreements

149. As discussed under element D.1, Andorra has not yet published MAP guidance and thus, there are no timeframes that would be applicable for the implementation of mutual agreements reached.

Recent developments

150. There are no recent developments with respect to element D.2.

Practical application*Period 1 January 2016-31 August 2019 (stage 1)*

151. Andorra reported that no MAP agreements requiring implementation were reached in the period 1 January 2016-31 August 2019.

152. No peer input was provided.

Period 1 September 2019-30 April 2021 (stage 2)

153. Andorra reported that no MAP agreements requiring implementation were reached since 1 September 2019 as well.

154. No peer input was provided.

Anticipated modifications

155. Andorra indicated that it does not anticipate any modifications in relation to element D.2.

Conclusion

	Areas for improvement	Recommendations
[D.2]	-	-

[D.3] Include Article 25(2), second sentence, of the OECD Model Tax Convention in tax treaties or alternative provisions in Article 9(1) and Article 7(2)

Jurisdictions should either (i) provide in their tax treaties that any mutual agreement reached through MAP shall be implemented notwithstanding any time limits in their domestic law, or (ii) be willing to accept alternative treaty provisions that limit the time during which a Contracting Party may make an adjustment pursuant to Article 9(1) or Article 7(2), in order to avoid late adjustments with respect to which MAP relief will not be available.

156. In order to provide full certainty to taxpayers it is essential that implementation of MAP agreements is not obstructed by any time limits in the domestic law of the jurisdictions concerned. Such certainty can be provided by either including the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) in tax treaties, or alternatively, setting a time limit in Article 9(1) and Article 7(2) for making adjustments to avoid that late adjustments obstruct granting of MAP relief.

Legal framework and current situation of Andorra tax treaties

157. As discussed under element D.1, Andorra's domestic statute of limitation does not affect the implementation of MAP agreements.

158. All of the Andorra's eight tax treaties contain a provision equivalent to Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) that any mutual agreement reached through MAP shall be implemented notwithstanding any time limits in their domestic law.

159. No peer input was provided during stage 1.

*Recent developments**Peer input*

160. No peer input was provided.

Anticipated modifications

161. Andorra reported it will seek to include Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) or both alternatives in all of its future tax treaties.

Conclusion

	Areas for improvement	Recommendations
[D.3]	-	-

Reference

OECD (2017), *Model Tax Convention on Income and on Capital 2017 (Full Version)*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/g2g972ee-en>.

Summary

	Areas for improvement	Recommendations
Part A: Preventing disputes		
[A.1]	-	-
[A.2]	-	-
Part B: Availability and access to MAP		
[B.1]	-	-
[B.2]	Seven of the eight treaties do not contain a provision equivalent to Article 25(1) of the OECD Model Tax Convention (OECD, 2017) as amended by the Action 14 final report (OECD, 2015b), allowing taxpayers to submit a MAP request to the competent authority of either treaty partner. For these treaties no documented bilateral consultation or notification process is in place, which allows the other competent authority concerned to provide its views on the case when the taxpayer's objection raised in the MAP request is considered not to be justified.	Andorra should without further delay follow up on its stated intention to document its bilateral notification process and provide in that document rules of procedure on how that process should be applied in practice, including the steps to be followed and timing of these steps. Furthermore, Andorra should apply its notification process for future cases in which its competent authority considered the objection raised in a MAP request not to be justified and when the tax treaty concerned does not contain Article 25(1) of the OECD Model Tax Convention (OECD, 2017) as amended by the Action 14 final report (OECD, 2015b).
[B.3]	-	-
[B.4]	-	-
[B.5]	-	-
[B.6]	-	-
[B.7]	-	-
[B.8]	There is no published MAP guidance.	Andorra should without further delay introduce clear and comprehensive MAP guidance. This guidance should in any case include (i) contact details of the competent authority or office in charge of MAP cases and (ii) manner and form in which the taxpayer should submit its MAP request.
	No guidance is available on what information taxpayers should include in their MAP request.	Andorra should include in its to be published MAP guidance information on the manner and form in which taxpayers should submit their MAP request.
[B.9]	The MAP guidance is not publicly available.	Andorra should make its MAP guidance currently in preparation publically available and easily accessible. Its MAP profile, published on the shared public platform, should be updated once Andorra's MAP guidance has been introduced.
[B.10]	-	-

	Areas for improvement	Recommendations
Part C: Resolution of MAP cases		
[C.1]	-	-
[C.2]	-	-
[C.3]	-	-
[C.4]	-	-
[C.5]	-	-
[C.6]	-	-
Part D: Implementation of MAP agreements		
[D.1]	-	-
[D.2]	-	-
[D.3]	-	-

Treaty partner	Column 2		Column 3		Column 4		Column 5		Column 6		Column 7		Column 8		Column 9		Column 10		Column 11	
	Article 25(1) of the OECD Model Tax Convention ("MTC")	B.1	B.1	Article 9(2) of the OECD MTC	B.3	B.4	Article 25(2) of the OECD MTC	C.1	D.3	A.1	B.7	C.6	Article 25(3) of the OECD MTC	A.1	B.7	C.6				
Malta	Y	N/A	E*	N/A	Y	N/A	Y	N/A	Y	N/A	Y	Y***	Y	Y	Y	Y	Y	Y	Y	Y***
Portugal	Y	N/A	O	N/A	Y	N/A	Y	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y***
Spain	Y	N/A	O	N/A	Y	N/A	Y	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y***
United Arab Emirates	Y	N/A	E*	N/A	Y	N/A	Y	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	N

Notes: a. Footnote by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of United Nations, Turkey shall preserve its position concerning the "Cyprus" issue.

Footnote by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Legend

E* The provision contained in this treaty was already in line with the requirements under this element of the Action 14 Minimum Standard, but has been modified by the Multilateral Instrument to allow the filing of a MAP request in either contracting state.

E** The provision contained in this treaty was not in line with the requirements under this element of the Action 14 Minimum Standard, but the treaty has been modified by the Multilateral Instrument and is now in line with this standard.

O* The provision contained in this treaty is already in line with the requirements under this element of the Action 14 Minimum Standard, but will be modified by the Multilateral Instrument upon entry into force for this specific treaty and will then allow the filing of a MAP request in either contracting state.

Y* The provision contained in this treaty was not in line with the requirements under this element of the Action 14 Minimum Standard, but the treaty has been modified by the Multilateral Instrument and is now in line with this element of the Action 14 Minimum Standard.

Y** The provision contained in this treaty already included an arbitration provision, which has been replaced by part VI of the Multilateral Instrument containing a mandatory and binding arbitration procedure.

Y***	The provision contained in this treaty did not include an arbitration provision, but part VI of the Multilateral Instrument applies, following which a mandatory and binding arbitration procedure is included in this treaty
i*/i1*/iv*/N*	The provision contained in this treaty is not in line with the requirements under this element of the Action 14 Minimum Standard, but the treaty will be modified by the Multilateral Instrument upon entry into force for this specific treaty and will then be in line with this element of the Action 14 Minimum Standard.
i**/iv***/N**	The provision contained in this treaty is not in line with the requirements under this element of the Action 14 Minimum Standard, but the treaty will be superseded by the Multilateral Instrument upon entry into force for this specific treaty only to the extent that existing treaty provisions are incompatible with the relevant provision of the Multilateral Instrument.
i***	The provision contained in this treaty is not in line with the requirements under this element of the Action 14 Minimum Standard, but the treaty will be superseded by the Multilateral Instrument only to the extent that existing treaty provisions are incompatible with the relevant provision of the Multilateral Instrument.

Annex B

MAP Statistics Reporting for the 2016, 2017, 2018, 2019 and 2020 Reporting Periods (1 January 2016 to 31 December 2020) for pre-2016 cases

2016 MAP Statistics													
Category of cases	No. of pre-2016 cases in MAP inventory on 1 January 2016	Number of pre-2016 cases closed during the reporting period by outcome										No. of pre-2016 cases remaining in on MAP inventory on 31 December 2016	Average time taken (in months) for closing pre-2016 cases during the reporting period
		Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12		
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13	Column 14
Attribution/Allocation	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Others	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Total	0	0	0	0	0	0	0	0	0	0	0	0	N/A

2017 MAP Statistics													
Category of cases	No. of pre-2016 cases in MAP inventory on 1 January 2017	Number of pre-2016 cases closed during the reporting period by outcome										No. of pre-2016 cases remaining in on MAP inventory on 31 December 2017	Average time taken (in months) for closing pre-2016 cases during the reporting period
		Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12		
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13	Column 14
Attribution/Allocation	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Others	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Total	0	0	0	0	0	0	0	0	0	0	0	0	N/A

2018 MAP Statistics													
Category of cases	No. of pre-2016 cases in MAP inventory on 1 January 2018	Number of pre-2016 cases closed during the reporting period by outcome										No. of pre-2016 cases remaining in on MAP inventory on 31 December 2018	Average time taken (in months) for closing pre-2016 cases during the reporting period
		Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12		
		Denied MAP access	Objection is not justified	Withdrawn by taxpayer	Unilateral relief granted	Resolved via domestic remedy	Agreement fully eliminating double taxation/ fully resolving taxation not in accordance with tax treaty	Agreement partially eliminating double taxation/partially resolving taxation not in accordance with tax treaty	Agreement that there is no taxation not in accordance with tax treaty	No agreement, including agreement to disagree	Any other outcome	Column 13	Column 14
Attribution/Allocation	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Others	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Total	0	0	0	0	0	0	0	0	0	0	0	0	N/A

2019 MAP Statistics													
Category of cases	No. of pre-2016 cases in MAP inventory on 1 January 2019	Number of pre-2016 cases closed during the reporting period by outcome										No. of pre-2016 cases remaining in on MAP inventory on 31 December 2019	Average time taken (in months) for closing pre-2016 cases during the reporting period
		Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12		
		Denied MAP access	Objection is not justified	Withdrawn by taxpayer	Unilateral relief granted	Resolved via domestic remedy	Agreement fully eliminating double taxation/ fully resolving taxation not in accordance with tax treaty	Agreement partially eliminating double taxation/partially resolving taxation not in accordance with tax treaty	Agreement that there is no taxation not in accordance with tax treaty	No agreement, including agreement to disagree	Any other outcome	Column 13	Column 14
Attribution/Allocation	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Others	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Total	0	0	0	0	0	0	0	0	0	0	0	0	N/A

2020 MAP Statistics													
Category of cases	No. of pre-2016 cases in MAP inventory on 1 January 2020	Number of pre-2016 cases closed during the reporting period by outcome										No. of pre-2016 cases remaining in on MAP inventory on 31 December 2020	Average time taken (in months) for closing pre-2016 cases during the reporting period
		Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12		
	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13	Column 14
Attribution/Allocation	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Others	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Total	0	0	0	0	0	0	0	0	0	0	0	0	N/A

Annex C

MAP Statistics Reporting for the 2016, 2017, 2018, 2019 and 2020 Reporting Periods (1 January 2016 to 31 December 2020) for post-2015 cases

2016 MAP Statistics															
Category of cases	No. of post-2015 cases in MAP inventory on 1 January 2016	No. of post-2015 cases started during the reporting period	Number of post-2015 cases closed during the reporting period by outcome								No. of post-2015 cases remaining in on MAP inventory on 31 December 2016	Average time taken (in months) for closing post-2015 cases during the reporting period			
			Denied MAP access	Objection is not justified	Withdrawn by taxpayer	Unilateral relief granted	Resolved via domestic remedy	Agreement fully eliminating double taxation/ fully resolving taxation not in accordance with tax treaty	Agreement partially eliminating double taxation/partially resolving taxation not in accordance with tax treaty	Agreement that there is no taxation not in accordance with tax treaty			No agreement, including agreement to disagree	Any other outcome	
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13	Column 14	Column 15	
Attribution/Allocation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A

2017 MAP Statistics															
Category of cases	No. of post-2015 cases in MAP inventory on 1 January 2017	No. of post-2015 cases started during the reporting period	Number of post-2015 cases closed during the reporting period by outcome								No. of post-2015 cases remaining in on MAP inventory on 31 December 2017	Average time taken (in months) for closing post-2015 cases during the reporting period			
			Denied MAP access	Objection is not justified	Withdrawn by taxpayer	Unilateral relief granted	Resolved via domestic remedy	Agreement fully eliminating double taxation/ fully resolving taxation not in accordance with tax treaty	Agreement partially eliminating double taxation/partially resolving taxation not in accordance with tax treaty	Agreement that there is no taxation not in accordance with tax treaty			No agreement, including agreement to disagree	Any other outcome	
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13	Column 14	Column 15	
Attribution/Allocation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A

2018 MAP Statistics														
Category of cases	No. of post-2015 cases in MAP inventory on 1 January 2018	No. of post-2015 cases started during the reporting period	Number of post-2015 cases closed during the reporting period by outcome							No. of post-2015 cases remaining in on MAP inventory on 31 December 2018	Average time taken (in months) for closing post-2015 cases during the reporting period			
			Denied MAP access	Objection is not justified	Withdrawn by taxpayer	Unilateral relief granted	Resolved via domestic remedy	Agreement fully eliminating double taxation/ fully resolving taxation not in accordance with tax treaty	Agreement partially eliminating double taxation/partially resolving taxation not in accordance with tax treaty			Agreement that there is no taxation not in accordance with tax treaty	No agreement, including agreement to disagree	Any other outcome
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13	Column 14	Column 15
Attribution/ Allocation	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A

2019 MAP Statistics														
Category of cases	No. of post-2015 cases in MAP inventory on 1 January 2019	No. of post-2015 cases started during the reporting period	Number of post-2015 cases closed during the reporting period by outcome							No. of post-2015 cases remaining in on MAP inventory on 31 December 2019	Average time taken (in months) for closing post-2015 cases during the reporting period			
			Denied MAP access	Objection is not justified	Withdrawn by taxpayer	Unilateral relief granted	Resolved via domestic remedy	Agreement fully eliminating double taxation/ fully resolving taxation not in accordance with tax treaty	Agreement partially eliminating double taxation/partially resolving taxation not in accordance with tax treaty			Agreement that there is no taxation not in accordance with tax treaty	No agreement, including agreement to disagree	Any other outcome
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13	Column 14	Column 15
Attribution/ Allocation	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A

2020 MAP Statistics															
Category of cases	No. of post-2015 cases in MAP inventory on 1 January 2020	No. of post-2015 cases started during the reporting period	Number of post-2015 cases closed during the reporting period by outcome								No. of post-2015 cases remaining in on MAP inventory on 31 December 2020	Average time taken (in months) for closing post-2015 cases during the reporting period			
			Denied MAP access	Objection is not justified	Withdrawn by taxpayer	Unilateral relief granted	Resolved via domestic remedy	Agreement fully eliminating double taxation/ fully resolving taxation not in accordance with tax treaty	Agreement partially eliminating double taxation/partially resolving taxation not in accordance with tax treaty	Agreement that there is no taxation not in accordance with tax treaty			No agreement, including agreement to disagree	Any other outcome	
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13	Column 14	Column 15	
Attribution/Allocation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A

Glossary

Action 14 Minimum Standard	The minimum standard as agreed upon in the final report on Action 14: Making Dispute Resolution Mechanisms More Effective
MAP Statistics Reporting Framework	Rules for reporting of MAP statistics as agreed by the FTA MAP Forum
Multilateral Instrument	Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting
OECD Model Tax Convention	OECD Model Tax Convention on Income and on Capital as it read on 21 November 2017
OECD Transfer Pricing Guidelines	OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations
Pre-2016 cases	MAP cases in a competent authority’s inventory that are pending resolution on 31 December 2015
Post-2015 cases	MAP cases that are received by a competent authority from the taxpayer on or after 1 January 2016
Statistics Reporting Period	Period for reporting MAP statistics that started on 1 January 2016 and ended on 31 December 2020
Terms of Reference	Terms of reference to monitor and review the implementing of the BEPS Action 14 Minimum Standard to make dispute resolution mechanisms more effective

OECD/G20 Base Erosion and Profit Shifting Project

Making Dispute Resolution More Effective – MAP Peer Review Report, Andorra (Stage 2)

INCLUSIVE FRAMEWORK ON BEPS: ACTION 14

Under BEPS Action 14, members of the OECD/G20 Inclusive Framework on BEPS have committed to implement a minimum standard to strengthen the effectiveness and efficiency of the mutual agreement procedure (MAP). The MAP is included in Article 25 of the OECD Model Tax Convention and commits countries to endeavour to resolve disputes related to the interpretation and application of tax treaties. The BEPS Action 14 Minimum Standard has been translated into specific terms of reference and a methodology for the peer review and monitoring process. The peer review process is conducted in two stages. Stage 1 assesses countries against the terms of reference of the minimum standard according to an agreed schedule of review. Stage 2 focuses on monitoring the follow-up of any recommendations resulting from jurisdictions' Stage 1 peer review report. This report reflects the outcome of the Stage 2 peer monitoring of the implementation of the BEPS Action 14 Minimum Standard by Andorra.



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