



## BEPS MLI submitted to Parliament for ratification

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**On 23 March 2022, the Cabinet of South Africa approved the submission of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS to the Parliament for ratification.**

Cabinet, following its meeting on Thursday, said South Africa, as one of the 95 countries participating in the convention initiated by the Organisation for Economic Cooperation and Development (OECD) to reduce opportunities for tax avoidance and base erosion by multinational companies, signed the tax treaty in June 2017.

South Africa submitted its provisional MLI position at the time of signature, listing its reservations and notifications and including 76 tax treaties that it wishes to be covered by the MLI. Once the tax treaty is ratified, South Africa will apply it alongside other tax treaties it has signed with other countries.

As a recap, the MLI is important as it provides signatory countries with flexibility with respect to ways of meeting BEPS minimum standards on treaty abuse and dispute resolution, as well as the possibility to opt out of provisions that do not reflect a BEPS minimum standard (with the possibility to opt in later). In essence, The MLI is an outcome of BEPS Action 15 and is designed to swiftly implement the tax treaty-related measures arising from the G20/OECD BEPS project, without the need to renegotiate each double tax treaty.

“ Cabinet said South Africa, as an associate member of the OECD, was “committed to working with other countries to stop company profits being artificially shifted out of the country to low or no tax environment”.

SNG Grant Thornton will keep you abreast of further developments as they occur.

