

MATCHING OF RESERVATIONS AND NOTIFICATIONS UNDER THE MULTILATERAL INSTRUMENT (MLI) PROVISIONS





The extent to which the Multilateral Instrument (MLI) modifies an existing tax agreement depends on the MLI Positions of the Contracting Jurisdictions and the corresponding application of the mechanical provisions of the MLI.

The interactive flowcharts included in this overview have been developed by the OECD Secretariat to illustrate the relevant notification clauses and other relevant mechanical provisions.

The flowcharts should not be considered legal advice on the MLI or any other subject matter.

For more information, please contact the OECD Secretariat at multilateralinstrument@oecd.org.

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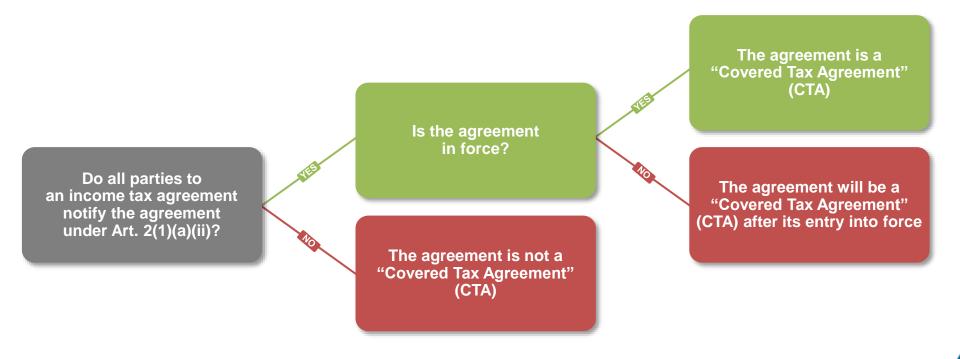


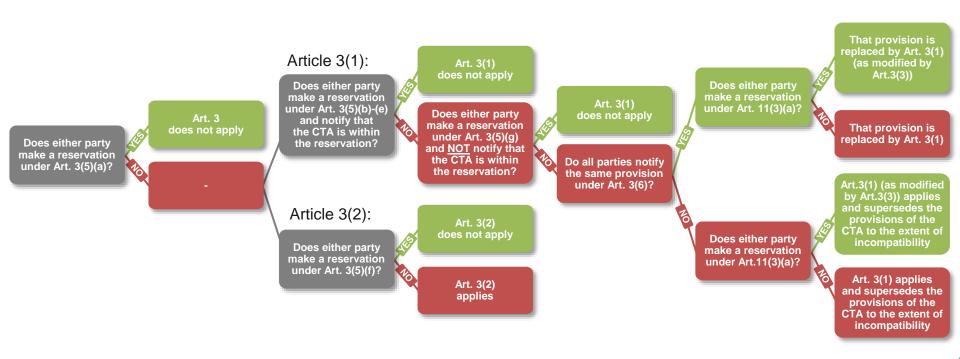
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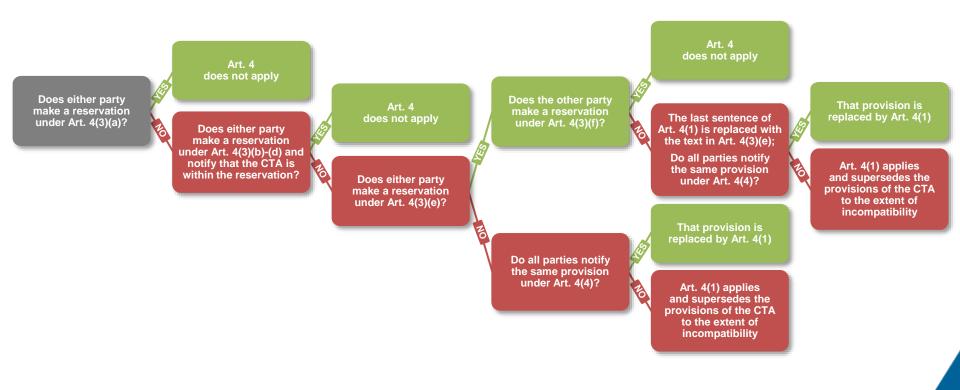
- Article 2
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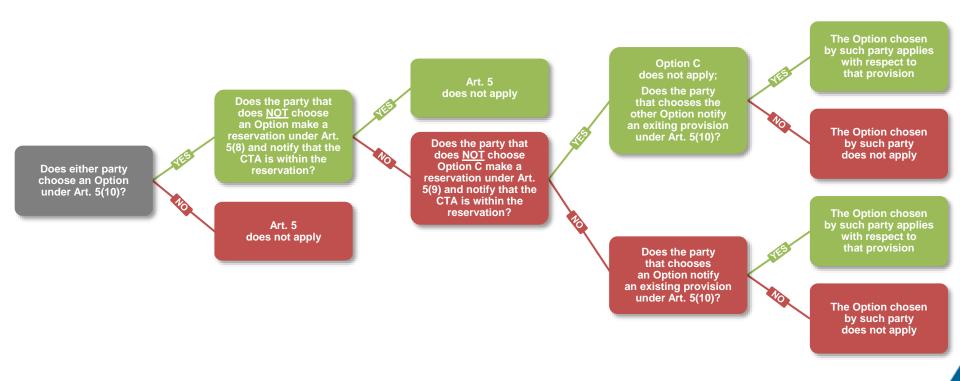


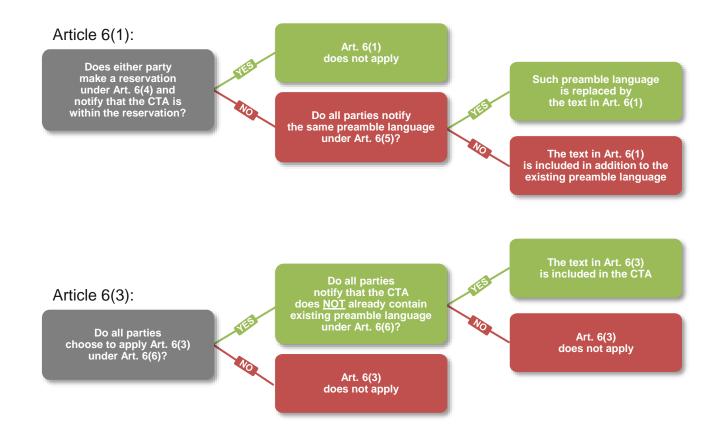


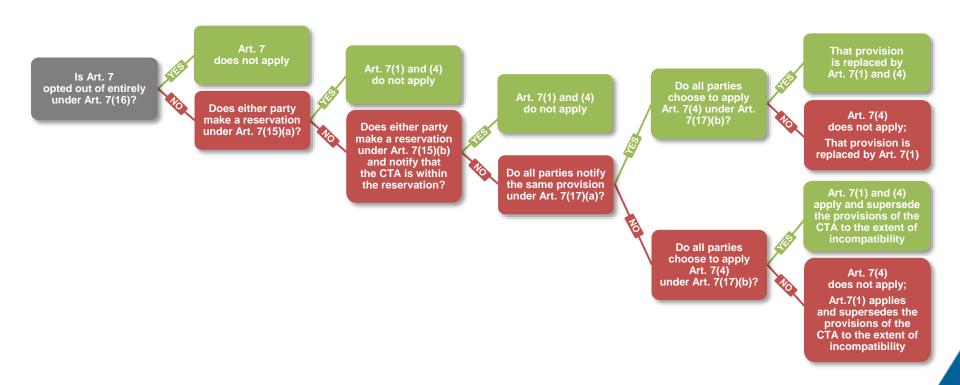




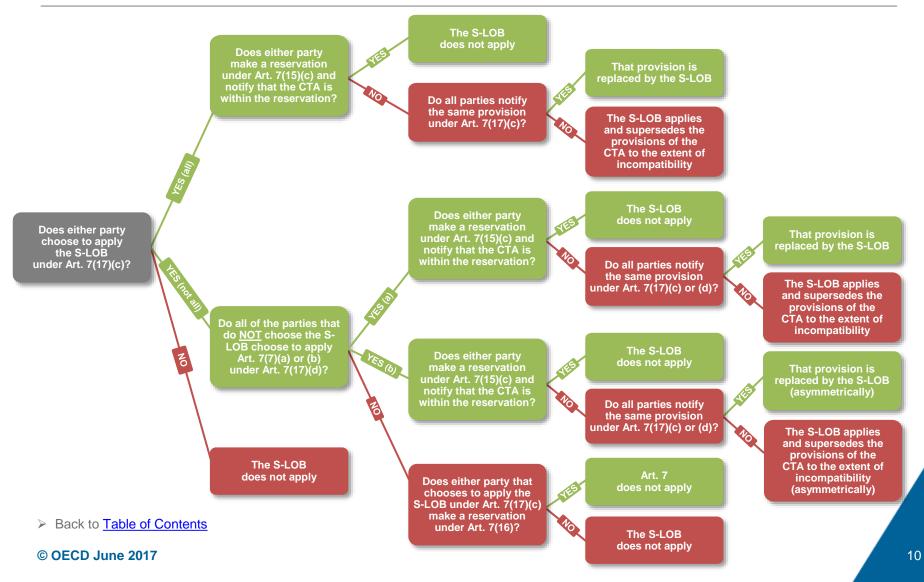
Methods for Elimination of Double Taxation

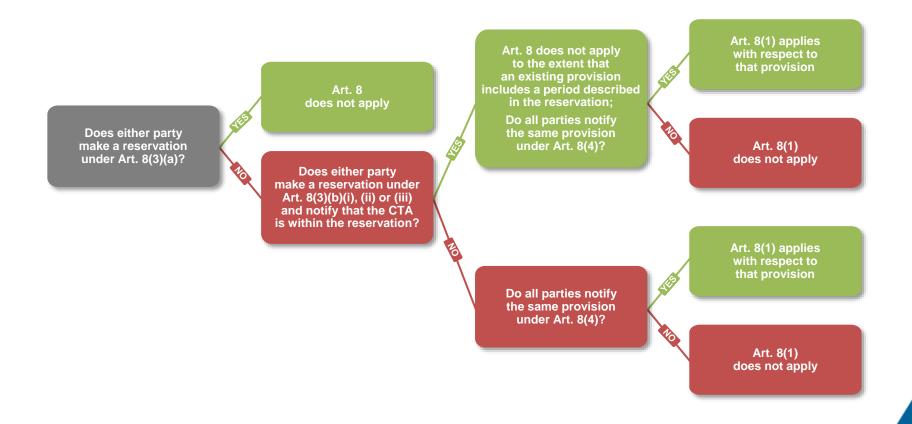






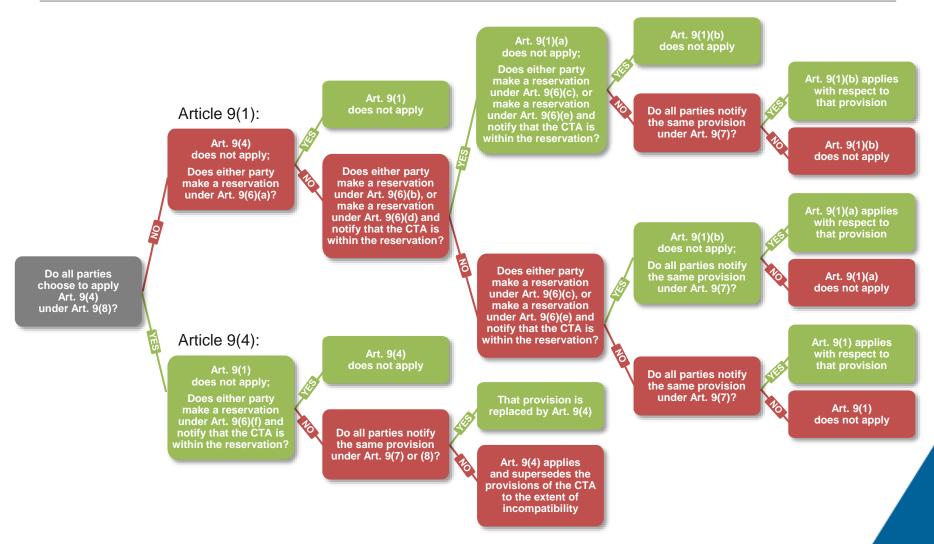
Article 7 – S-LOB Prevention of Treaty Abuse





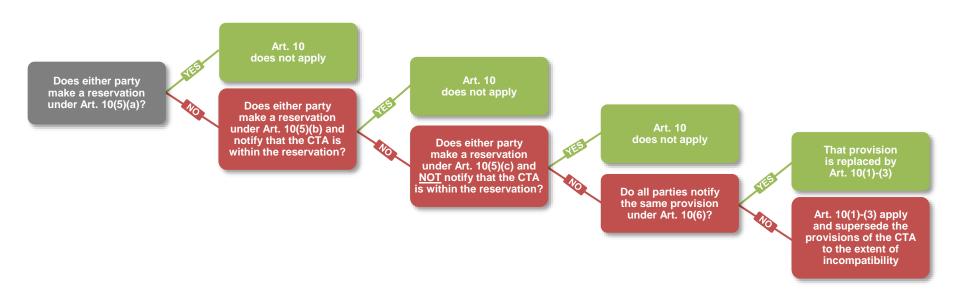


Capital Gains from Alienation of Share or Interests of Entities Deriving their Value Principally from Immovable Property



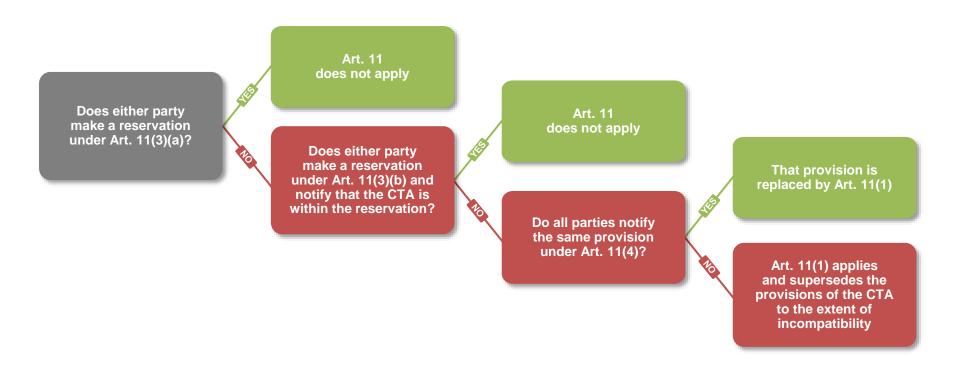


Anti-abuse Rule for Permanent Establishments Situated in Third Jurisdictions





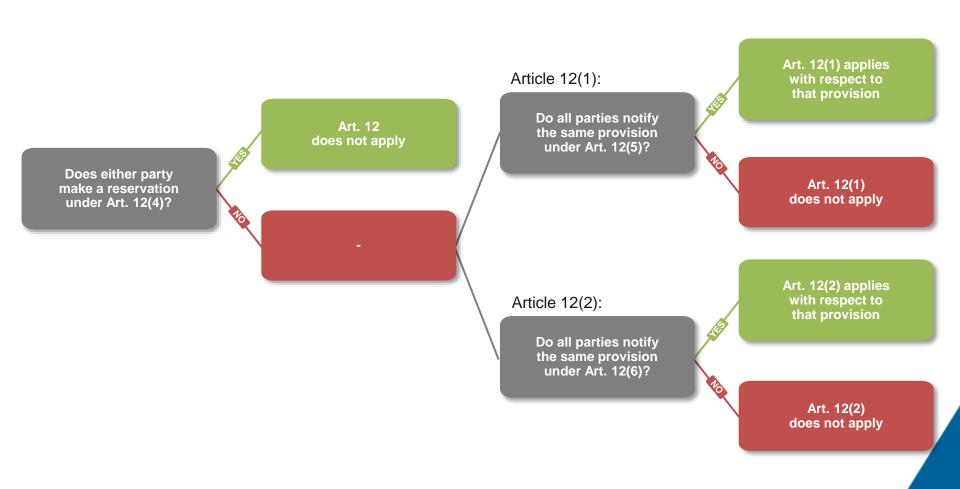
Application of Tax Agreements to Restrict a Party's Right to Tax its Own Residents



NOTE: Where either party makes a reservation under Art. 11(3)(a), the provisions of Art. 3(1) will be modified under Art. 3(3) to ensure that its application will not interfere with the taxation by a Contracting Jurisdiction of its residents.

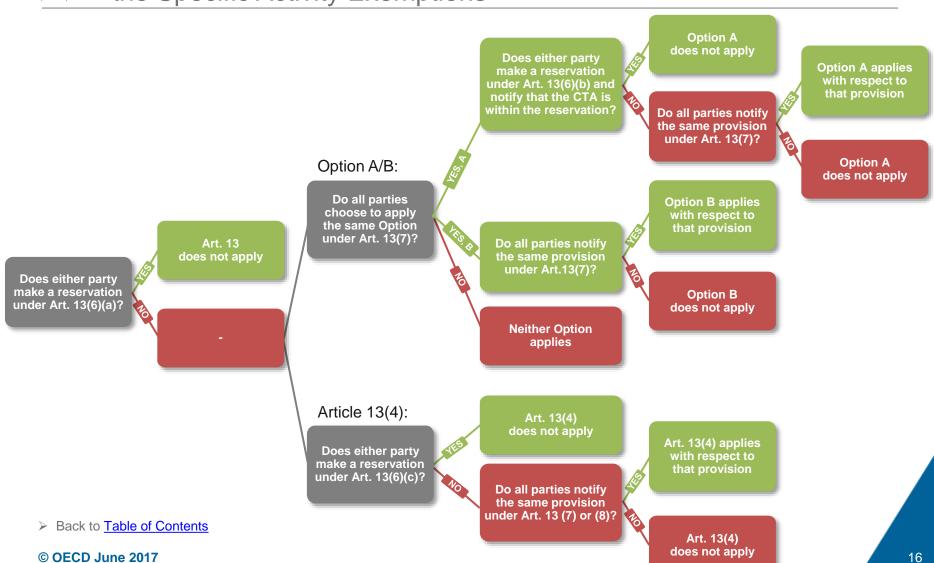


Artificial Avoidance of Permanent Establishment Status through Commissionnaire Arrangements and Similar Strategies





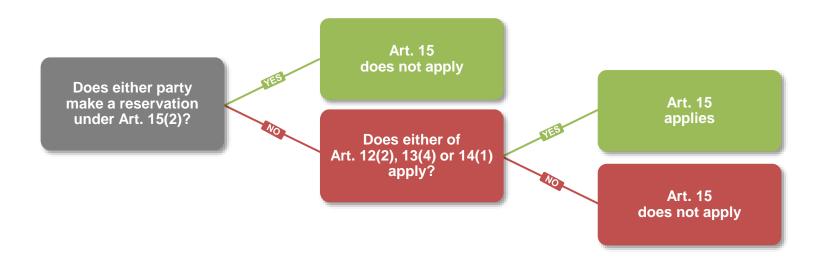
Artificial Avoidance of Permanent Establishment Status through the Specific Activity Exemptions



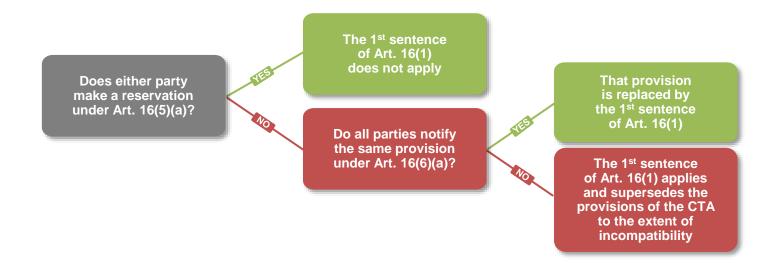
That provision is Art. 14 does not apply replaced by Art. 14(1) with respect to provisions relating to the exploration Art. 14 for or exploitation of does not apply natural resources; Art. 14(1) applies Do all parties notify Does either party and supersedes the the same provision make a reservation provisions of the CTA under Art. 14(4)? under Art. 14(3)(a)? to the extent of Does either party incompatibility make a reservation under Art. 14(3)(b) and notify that the CTA is within the reservation? That provision is replaced by Art. 14(1) Do all parties notify the same provision under Art. 14(4)? Art. 14(1) applies and supersedes the provisions of the CTA to the extent of incompatibility



Definition of a Person Closely Related to an Enterprise



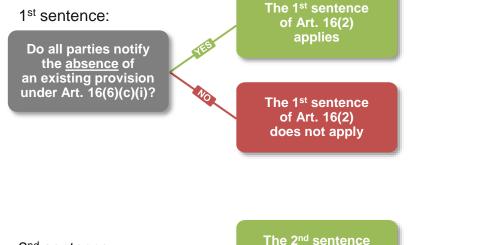
Mutual Agreement Procedure (1st sentence)





The 2nd sentence of Art. 16(1) does not apply Does either party That provision make a reservation is replaced by under Art. 16(5)(b) and the 2nd sentence notify that the CTA is of Art. 16(1) within the reservation? Do all parties notify The 2nd sentence the same provision of Art. 16(1) under Art. 16(6)(b)(i)? does not apply (shorter than three years) Does either party notify an existing provision under Art. 16(6)(b)(ii)? (at least three years) The 2nd sentence of Art. 16(1) applies and supersedes the provisions of the CTA to the extent of incompatibility

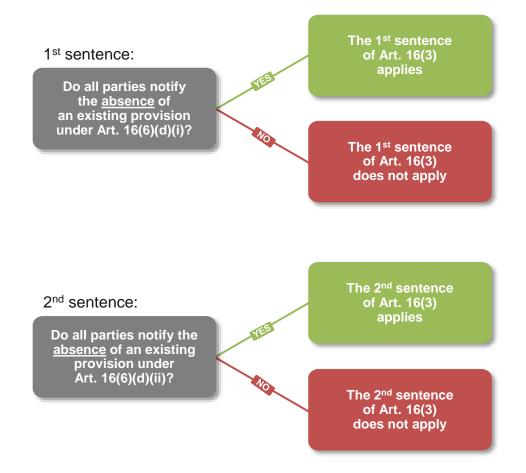


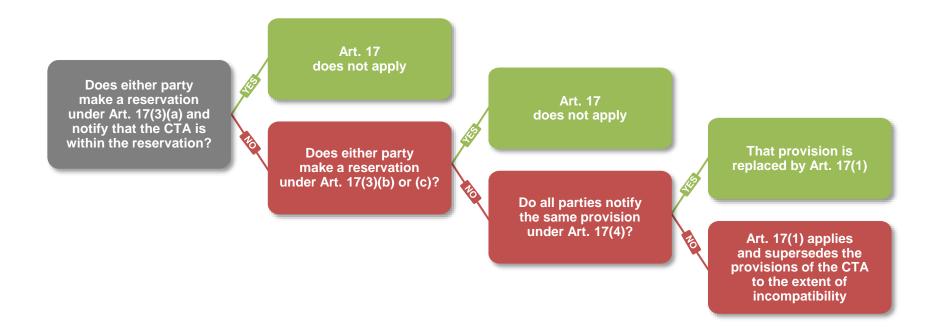


2nd sentence: of Art. 16(2) does not apply Does either party The 2nd sentence make a reservation of Art. 16(2) under Art. 16(5)(c)? applies Do all parties notify the absence of an existing provision under Art. 16(6)(c)(ii)? The 2nd sentence of Art. 16(2) dose not apply

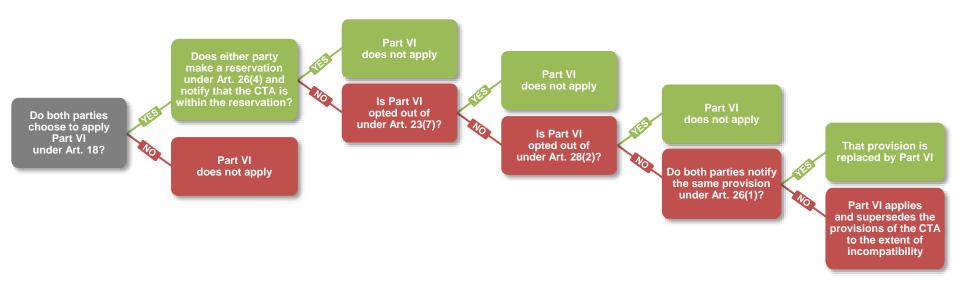
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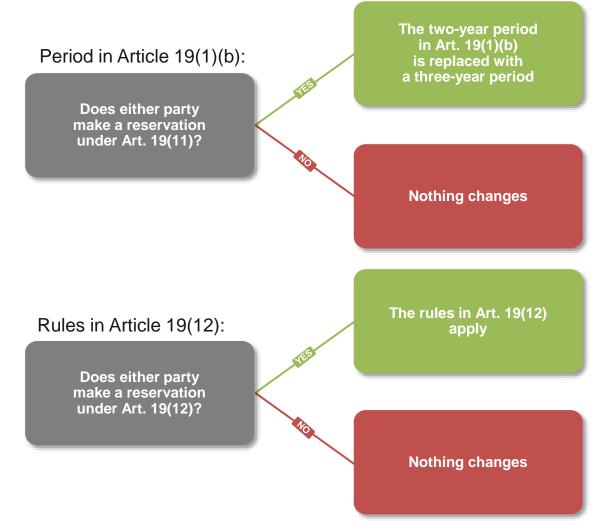


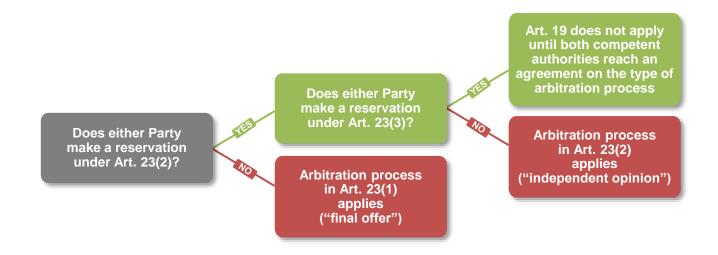
Choice of Apply Part VI (and Compatibility)

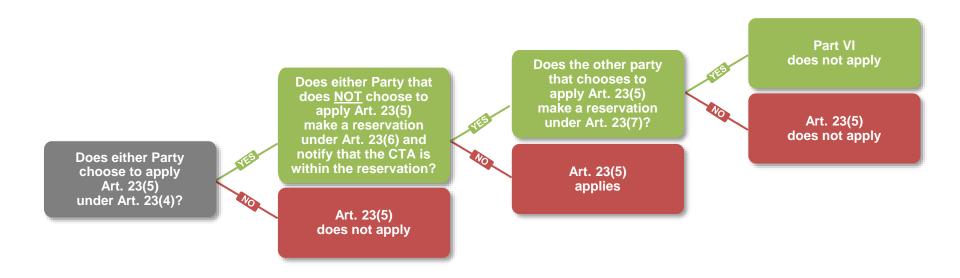


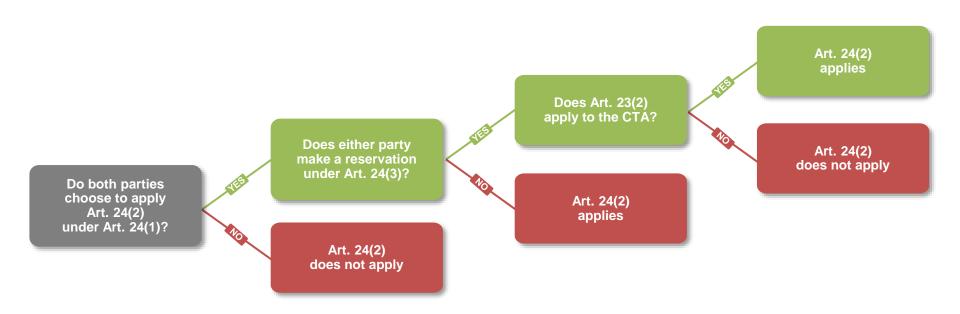
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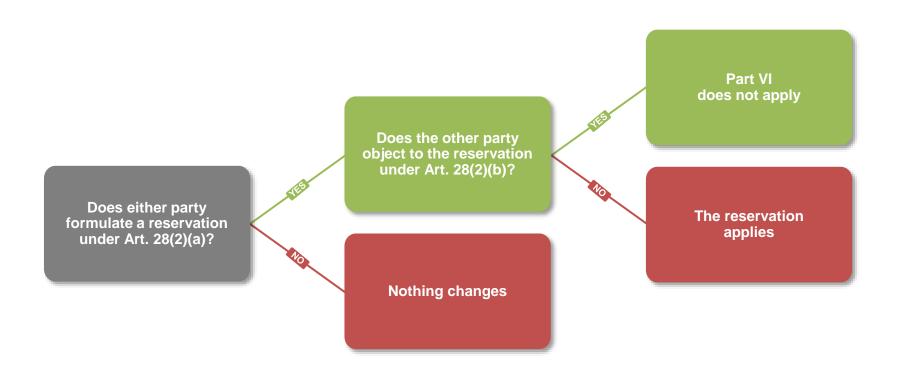








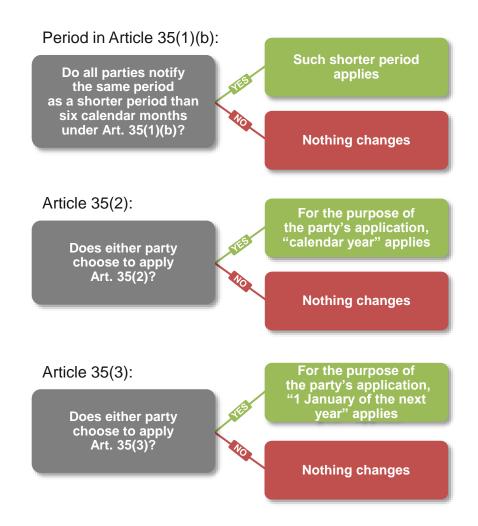
Reservation Formulated for Scope of Arbitration



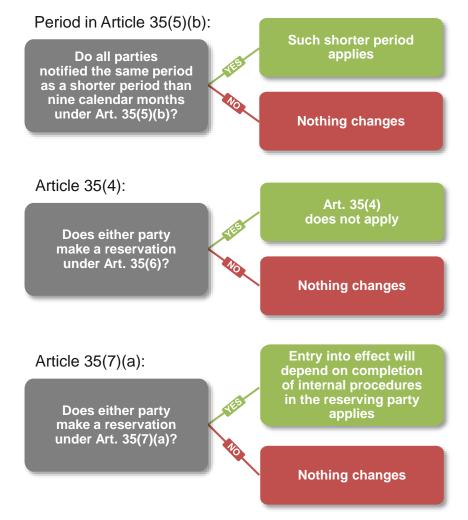
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Do both parties notify a mutual agreement between competent authorities and the agreed date under Art. 36(1)(b)? Cases prior to entry into force of the Convention shall be considered to have been presented on the agreed date

Nothing changes

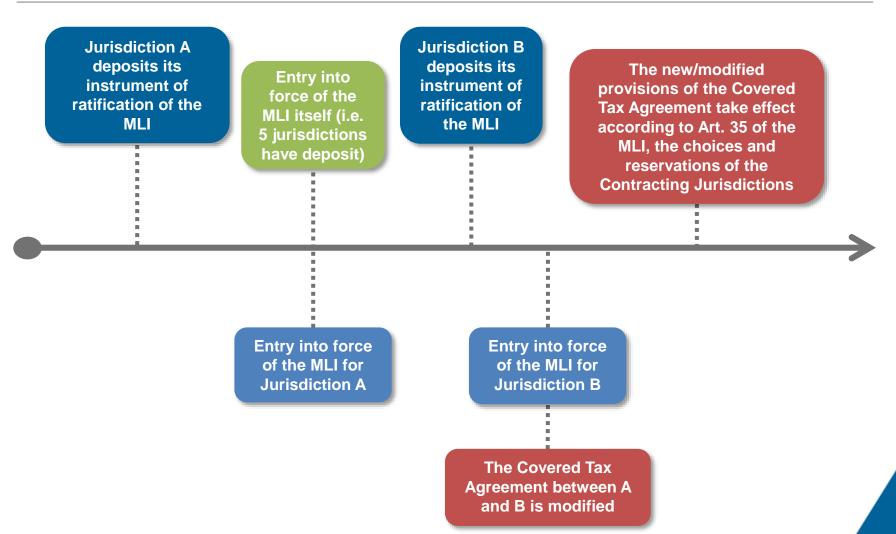
Does either party make a reservation under Art. 36(2)?

Part VI applies retroactively only to the extent that the competent authorities agree

Nothing changes



Entry into Force and Effect – Scenario 1





Entry into Force and Effect – Scenario 2

