

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



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

INCLUSIVE FRAMEWORK ON BEPS: ACTION 14

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Note by the Republic of Türkiye

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. Türkiye recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Türkiye shall preserve its position concerning the “Cyprus issue”.

Note 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 Türkiye. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

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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.

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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

Barbados has a modest tax treaty network with more than 30 tax treaties. It has a MAP programme with limited experience with resolving MAP cases. It has a small MAP inventory and a small number of new cases submitted each year and four MAP cases pending on 31 December 2020, all of which are other cases. The outcome of the stage 1 peer review process was that overall Barbados met the majority of the elements of the Action 14 Minimum Standard. Where it has deficiencies, Barbados has worked to address them, which has been monitored in stage 2 of the process. In this respect, Barbados has solved some of the identified deficiencies.

All but one of Barbados' 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 mostly consistent with the requirements of the Action 14 Minimum Standard, except mainly for the fact that almost 20% of its tax treaties neither contain a provision stating that mutual agreements shall be implemented notwithstanding any time limits in domestic law (which is required under Article 25(2), second sentence), nor the alternative provisions for Article 9(1) and Article 7(2) to set a time limit for making transfer pricing adjustments.

In order to be fully compliant with all four key areas of an effective dispute resolution mechanism under the Action 14 Minimum Standard, Barbados signed and ratified the Multilateral Instrument. Through this instrument a number of its tax treaties have been or will be modified to fulfil the requirements under the Action 14 Minimum Standard. Where treaties will not be modified, upon entry into force and entry into effect of the Multilateral Instrument, Barbados reported that it intends to update all of its tax treaties to be compliant with the requirements under the Action 14 Minimum Standard via bilateral negotiations. However, Barbados does not have a specific plan in place nor has it taken or planned any specific actions for such negotiations. Furthermore, Barbados opted for part VI of the Multilateral Instrument concerning the introduction of a mandatory and binding arbitration provision in tax treaties.

As Barbados has no bilateral APA programme in place, there are no elements to assess regarding the prevention of disputes.

Furthermore, Barbados meets almost all the requirements regarding the availability and access to MAP under the Action 14 Minimum Standard. It provides access to MAP in all eligible cases, although it has since 1 January 2020 not received any MAP requests concerning the application of anti-abuse provisions. Barbados also has clear and comprehensive guidance on the availability of MAP and how it applies this procedure in practice under tax treaties. However, Barbados 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.

Concerning the average time needed to close MAP cases, the MAP statistics for Barbados for the period 2017-20 are as follows:

2017-20	Opening inventory 1/1/2017	Cases started	Cases closed	End inventory 31/12/2020	Average time to close cases (in months)
Attribution/allocation cases	0	3	3	0	0.46
Other cases	0	5	1	4	24.00
Total	0	8	4	4	6.35

From 2017-20, MAP cases were on average closed within a timeframe of 24 months (which is the pursued average for resolving MAP cases received on or after 1 January 2017), as the average time necessary was 6.35 months. However, there was an increase of four MAP cases during this period. Further, all the cases that were resolved were resolved owing to actions taken by Barbados' treaty partners or the taxpayer. In addition, Barbados reported that Barbados' competent authority recognised that multiple cases that started in 2019 were missed out and that actions were taken to notify its treaty partners only in 2020. Therefore, Barbados should monitor whether the resources available for the competent authority function remain adequate in order to resolve its pending MAP inventory and future MAP cases in a timely, efficient and effective manner. In particular, Barbados should monitor whether the staff members in the competent authority have sufficient training to act on and deal with their MAP cases.

Furthermore, Barbados meets almost all other requirements under the Action 14 Minimum Standard in relation to the resolution of MAP cases. Barbados' competent authority operates fully independently from the audit function of the tax authorities and adopts 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 perform the MAP function. However, it did not match MAP statistics according to the MAP Statistics Reporting Framework within the deadline for all the relevant years.

Lastly, Barbados almost meets the Action 14 Minimum Standard as regards the implementation of MAP agreements. Barbados monitors the implementation of such agreements. However, it has a domestic statute of limitation, for which there is a risk that such agreements cannot be implemented where the applicable tax treaty does not contain the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017), albeit that no problems have surfaced regarding implementation throughout the peer review process.

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>.

Introduction

Available mechanisms in Barbados to resolve tax treaty-related disputes

Barbados has entered into 35 tax treaties on income (and/or capital), 31 of which are in force.¹ These 35 treaties are being applied to 44 jurisdictions.² All but one 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. In addition, one of the 35 treaties provide for an arbitration procedure as a final stage to the mutual agreement procedure.³

Under the tax treaties that Barbados has entered into, the competent authority function is generally assigned to the Minister of Finance. Accordingly, this function is delegated to the Barbados Revenue Authority, which is further delegated to the Office of the General Counsel within its International Relations Unit. The competent authority of Barbados currently employs three staff members that deal partly with MAP cases along with various other tasks in the Barbados Revenue Authority.

Barbados issued guidance on the governance and administration of the mutual agreement procedure (“**MAP guidance**”), which was published in March 2021 and is available (in English) at:

<https://bra.gov.bb/About/Exchange-of-Information/Mutual-Agreement-Procedures-MAP.aspx>

Developments in Barbados since 1 January 2020

Developments in relation to the tax treaty network

The stage 1 peer review report of Barbados noted that Barbados was conducting tax treaty negotiations with Belgium, Malaysia and Viet Nam. Barbados reported that negotiations have been finalised with all of these treaty partners. In addition, the stage 1 peer review report noted that Barbados has signed treaties with Ghana (2008), Rwanda (2014) and the Slovak Republic (2015), which had not yet entered into force. This situation remains the same.

In addition, Barbados reported that it has signed a new tax treaty with Kenya (2019) which is a newly negotiated treaty with a treaty partner with which there was no treaty yet in place. This treaty includes Article 9(2) and Article 25(1-3) of the OECD Model Tax Convention (OECD, 2015a) as it read prior to the adoption of the Action 14 final report (OECD, 2015b). This treaty has not entered into force as yet.

Furthermore, on 24 January 2018, Barbados 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 21 December 2020, Barbados deposited its instrument of ratification, following which the Multilateral Instrument entered into force for Barbados on 1 April 2021. With the deposit of the instrument of ratification of the Multilateral Instrument, Barbados also submitted its list of notifications and reservations to that instrument.⁴ In relation to the Action 14 Minimum Standard, Barbados has not made any reservations to Article 16 of the Multilateral Instrument (concerning the mutual agreement procedure).

For the four treaties that are considered not to be in line with one or more elements of the Action 14 Minimum Standard and that will not be modified by the Multilateral Instrument, Barbados reported that it intends to update them via bilateral negotiations. In this regard, negotiations are not necessary for one treaty as it concerns the 1954 treaty between the United Kingdom and Switzerland that Switzerland continues to apply to Barbados. However, no details were shared as to planned actions, specifically as regards which treaty partners are prioritised for bilateral negotiations for the remaining treaty partners.

Other developments

Further to the above, Barbados reported that it has made a few changes to the organisation of its competent authority and that it has issued MAP guidance. These changes can be summarised as follows:

- *MAP guidance*: issuance of comprehensive MAP guidance including *inter alia* the contact details of the competent authority and the specific information and documentation that should be submitted in a taxpayer's request for MAP assistance
- *Handling and resolving MAP cases*: shift of the competent authority to the Office of the General Counsel within the International Relations Unit of the Barbados Revenue Authority and increase in staff members dealing with MAP from two to three.

Basis for the peer review process

The peer review process entails an evaluation of Barbados' 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 Barbados, its peers and taxpayers. The questionnaires for the peer review process were sent to Barbados and the peers on 20 December 2019.

The process consists of two stages: a peer review process (stage 1) and a peer monitoring process (stage 2). In stage 1, Barbados' 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 28 October 2020. This report identifies the strengths and shortcomings of Barbados 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.⁵ 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 Barbados. In this update report, Barbados 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 Barbados 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 were taken into account, even if it concerns a modification or a replacement of an existing treaty. The treaty analysis also takes into account the multilateral tax treaty entered into between Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines and Trinidad and Tobago – the Caribbean Community (CARICOM) Convention (1994). This treaty is counted as one treaty, even though it is applicable to multiple jurisdictions. Reference is made to Annex A for the overview of Barbados’ 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 Barbados was launched on 20 December 2019, with the sending of questionnaires to Barbados and its peers. The FTA MAP Forum has approved the stage 1 peer review report of Barbados in September 2020, with the subsequent approval by the BEPS Inclusive Framework on 28 October 2020. On 28 October 2021, Barbados submitted its update report, which initiated stage 2 of the process.

The period for evaluating Barbados’ implementation of the Action 14 Minimum Standard for stage 1 ranged from 1 January 2017 to 31 December 2019 and formed the basis for the stage 1 peer review report. The period of review for stage 2 started on 1 January 2020 and depicts all developments as from that date until 31 October 2021.

In total one peer provided input: Switzerland. The input only related to the treaty provisions and not to experiences in handling and resolving MAP cases since this peer has not had MAP cases with Barbados that started on or after 1 January 2017. During stage 2, the same peer provided input and noted that there was no addition to previous input given.

Input by Barbados and co-operation throughout the process

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

- MAP profile⁶
- MAP statistics⁷ according to the MAP Statistics Reporting Framework (see below).

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

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

Overview of MAP caseload in Barbados

The analysis of Barbados’ MAP caseload relates to the period starting on 1 January 2017 and ending on 31 December 2020 (“**Statistics Reporting Period**”). According to the statistics provided by Barbados, its MAP caseload during this period was as follows:

2017-20	Opening inventory 1/1/2017	Cases started	Cases closed	End inventory 31/12/2020
Attribution/allocation cases	0	3	3	0
Other cases	0	5	1	4
Total	0	8	4	4

General outline of the peer review report

This report includes an evaluation of Barbados’ 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**”).⁸ Apart from analysing Barbados’ legal framework and its administrative practice, the report also incorporates peer input and responses to such input by Barbados during stage 1 and stage 2. Furthermore, the report depicts the changes adopted and plans shared by Barbados 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 Barbados 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 Barbados 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.

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>.

Notes

1. The tax treaties Barbados has entered into are available at: <https://www.investbarbados.org/investing-in-barbados/double-taxation-agreements-dtas/>. The treaties that are signed but have not yet entered into force are with Ghana (2008), Kenya (2019), Rwanda (2014) and the Slovak Republic (2015). Reference is made to Annex A for an overview of Barbados’ tax treaties.
2. Barbados is a signatory to the Caribbean Community (CARICOM) Convention that for Barbados applies to Antigua and Barbuda, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Lucia, St. Vincent and the Grenadines, St. Kitts and Nevis and Trinidad and Tobago. Further, Barbados continues to apply in relation to Switzerland, the 1954 treaty between the United Kingdom and Switzerland, even though Switzerland and the United Kingdom have entered into a new convention in 1977.
3. This concerns Barbados’ treaty with the Netherlands (2006). Reference is made to Annex A for an overview of Barbados’ tax treaties.
4. <https://www.oecd.org/tax/treaties/beps-mli-position-barbados-instrument-deposit.pdf>.
5. Available at: <https://www.oecd.org/fr/pays/barbade/making-dispute-resolution-more-effective-map-peer-review-report-barbados-stage-1-edf96ece-en.htm>.
6. Available at: www.oecd.org/tax/dispute/country-map-profiles.htm.
7. The MAP statistics of Barbados are included in Annex B and C of this report.
8. 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, 2017a) 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 Barbados' tax treaties

2. Out of Barbados' 35 tax treaties, 34 contain a provision equivalent to Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017a) 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.¹ The remaining treaty does not contain a provision that is based on or equivalent to Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017a).²

3. Barbados reported that it is willing to enter into MAP agreements of a general nature even where the applicable treaty would not contain a provision equivalent to Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017a). However, Barbados indicated that such agreements of a general nature are not published.

4. For the treaty identified that does not contain the equivalent of Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017a), the relevant peer provided input during stage 1. However, no input was provided in respect of element A.1.

Recent developments

Bilateral modifications

5. Barbados signed a new tax treaty which is a newly negotiated treaty with a treaty partner with which there was no treaty yet in place. This treaty has not entered into force and contains a provision that is equivalent to Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017a). The effect of this newly signed treaty has been reflected in the analysis above where it has relevance.

Multilateral Instrument

6. Barbados signed the Multilateral Instrument and has deposited its instrument of ratification on 21 December 2020. The Multilateral Instrument has entered into force for Barbados on 1 April 2021.

7. Article 16(4)(c)(i) of that instrument stipulates that Article 16(3), first sentence – containing the equivalent of Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017) – will apply in the absence of a provision in tax treaties that is equivalent to Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017a). In other words, in the absence of this equivalent, Article 16(4)(c)(i) of the Multilateral Instrument will modify the applicable tax treaty to include such equivalent. However, this shall only apply if both contracting parties to the applicable tax treaty have listed this treaty as a covered tax agreement under the Multilateral Instrument and insofar as both notified, pursuant to Article 16(6)(d)(i), the depositary that this treaty does not contain the equivalent of Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017a).

8. With regard to the tax treaty identified above that is considered not to contain the equivalent of Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017a), Barbados listed it as a covered tax agreement under the Multilateral Instrument and made, pursuant to Article 16(6)(d)(i), a notification that it does not contain a provision described in Article 16(4)(c)(i). However, this treaty partner did not list its treaty with Barbados as a covered tax agreement. Therefore, at this stage, the tax treaty identified above will not be modified by the Multilateral Instrument to include the equivalent of Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017a).

Peer input

9. The peer that provided input during stage 2 did not provide input in relation to its tax treaty with Barbados.

Anticipated modifications

10. For the remaining treaty that is not in line with element A.1 and will not be modified by the Multilateral Instrument, Barbados has no plan in place for the renegotiation of this tax treaty. As this concerns the 1954 treaty between United Kingdom and the treaty partner that continues to be applied to Barbados, such renegotiations are also not necessary. In addition, Barbados reported it will seek to include Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017a) in all of its future tax treaties.

Conclusion

	Areas for improvement	Recommendations
[A.1]	One out of 35 tax treaties does not contain a provision that is equivalent to Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017a). This treaty will not be modified by the Multilateral Instrument. With respect to this treaty, no actions have been taken nor are any actions planned to be taken.	As the one treaty that does not contain the equivalent of Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017a) and will not be modified by the Multilateral Instrument is the 1954 treaty between the United Kingdom and the treaty partner that continues to be applied to Barbados, Barbados should ensure that, once it enters into negotiations with this treaty partner, it includes the required provision.

[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.

11. 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.³ 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.

Barbados’ APA programme

12. Barbados reported that it does not have a bilateral APA programme.

Roll-back of bilateral APAs

13. Since Barbados does not have an APA programme in place, there is no possibility to provide roll-back of bilateral APAs to previous years.

Recent developments

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

Practical application of roll-back of bilateral APAs

Period 1 January 2017-31 December 2019 (stage 1)

15. Barbados reported not having received any requests for bilateral APAs in the period 1 January 2017-31 December 2019, which is logical given that Barbados does not have such a programme in place.

16. No peer input was received with respect to element A.2.

Period 1 January 2020-31 October 2021 (stage 2)

17. Barbados reported also not having received any requests for a bilateral APA since 1 January 2020, which is logical given that Barbados still does not have such a programme in place.

18. No peer input was received with respect to element A.2 during stage 2 as well.

Anticipated modifications

19. Barbados indicated that it does not anticipate any modifications in relation to element A.2.

Conclusion

	Areas for improvement	Recommendations
[A.2]	-	-

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>.

Notes

1. These 34 treaties include the CARICOM treaty that Barbados applies to Antigua and Barbuda, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines and Trinidad and Tobago.
2. This treaty concerns the 1954 treaty between the United Kingdom and Switzerland that Switzerland continues to apply to Barbados.
3. 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).

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.

20. 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 Barbados' tax treaties

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

21. None of Barbados' 35 tax treaties contain 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. In addition, 32 of Barbados' 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.

22. The remaining three treaties can be categorised as follows:

Provision	Number of tax treaties
A variation 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), whereby taxpayers can only submit a MAP request to the competent authority of the contracting state of which they are resident.	2*
No MAP Provision based on or equivalent to Article 25 of the OECD Model Tax Convention (OECD, 2017)	1**

* These two treaties include the CARICOM treaty that Barbados applies to Antigua and Barbuda, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines and Trinidad and Tobago.

** This treaty concerns the 1954 treaty between the United Kingdom and Switzerland that Switzerland continues to apply to Barbados.

23. The two treaties mentioned in the first row of the table are considered not to have the full 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), since taxpayers are not allowed to submit a MAP request in the state of which they are a national where the case comes under the non-discrimination article. However, the non-discrimination provision in these treaties only cover nationals that are resident of one of the contracting states. Therefore, it is logical to allow only for the submission of MAP requests to the state of which the taxpayer is a resident and consequently, these treaties are considered to be in line with this part of element B.1

24. The remaining treaty mentioned in the second row of the table contains a dispute resolution provision, but not a provision based on Article 25 of the OECD Model Tax Convention (OECD, 2017) that allows taxpayers to file for a MAP. Consequently, this treaty is not considered to be in line with this part of element B.1.

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

25. Out of Barbados' 35 tax treaties, 29 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.

26. The remaining six tax treaties that do not contain such provision can be categorised as follows:

Provision	Number of tax treaties
No MAP Provision based on or equivalent to Article 25 of the OECD Model Tax Convention (OECD, 2017)	1*
No filing period for a MAP request	2**
Filing period less than 3 years for a MAP request (2 years)	3

* This treaty concerns the 1954 treaty between the United Kingdom and Switzerland that Switzerland continues to apply to Barbados.

** These two treaties include the CARICOM treaty that Barbados applies to Antigua and Barbuda, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines and Trinidad and Tobago.

Peer input

27. For the treaty identified that does not contain 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), the relevant peer provided input during stage 1. However, no input was provided in respect of element B.1. For the treaties identified that do not contain the equivalent of Article 25(1), second sentence, of the OECD Model Tax Convention (OECD, 2017), the relevant peers did not provide input during stage 1.

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

28. As indicated in paragraphs 21-24 above, all but one of Barbados' tax treaties contain a MAP provision that allows taxpayers to file a MAP request irrespective of domestic remedies. Barbados reported that submitting a MAP request does not deprive taxpayers of other remedies available under their respective domestic tax law.

29. Barbados clarified that although Sections 59 to 63 of Barbados' Income Tax Act state that issues heard by or decided by the Barbados Revenue Appeals Tribunal shall not be questioned "in any other proceedings", Sections 83 (1) and 83 (4) that transpose Barbados' tax treaties into its law provide that in the event of an inconsistency between the provisions of the tax treaty and the Income Tax Act, the provisions of the tax treaty would prevail. Therefore, regardless of other limitations, Barbados reported that a taxpayer would not be denied access to MAP where a MAP request has been filed under its tax treaties, irrespective of domestic remedies, whether pending or finalised. This is confirmed in Barbados' MAP guidance under the section titled "Domestic Appeals – Barbados Revenue Appeals Tribunal & Supreme Court of Barbados" and in Barbados' MAP profile as well.

30. However, it is also clarified in this section of Barbados' MAP guidance that the competent authority is not allowed to deviate from any decision issued by the Barbados Revenue Appeals Tribunal or by the Supreme Court of Barbados. Although it is accepted based on 34-35 of the Commentary on Article 25 of the OECD Model Tax Convention (OECD, 2017) that a competent authority may take the position to not deviate from a final Court decision legally or as a matter of administrative policy or practice, the position with respect to decisions by quasi-judicial tribunals such as the Barbados Revenue Appeals Tribunal is unclear. Further discussion and analysis is required on whether such position is in line with the Action 14 Minimum Standard.

31. In addition, Barbados' MAP guidance, under the section titled "Review of the MAP request" notes that access to MAP would only be provided if the following conditions are met:

- a. the issue or transaction relates to the tax administration of Barbados or in respect of a matter involving a tax treaty to which Barbados is a party
- b. it is evident that the action(s) of one or both of the tax administrations has resulted or will result in taxation not in accordance with the tax treaty
- c. the taxpayer notifies the competent authority of the same within the stipulated timeframe
- d. the issue is not one which the competent authority and/or the other competent authority have decided, as a matter of policy, not to consider.

32. Although conditions a) to c) are in line with requirements for an eligible case under a tax treaty and Barbados reported that these would be followed as interpreted by the Commentary on Article 25 of the OECD Model Tax Convention (OECD, 2017), condition d) suggests that Barbados' competent authority may deny access to MAP where its competent authority, either alone or jointly with the other competent authority, has agreed to not consider the issue in question based on policy reasons. In this regard, Barbados clarified that access to MAP would be granted in all eligible cases under the tax treaty, but that condition d) would only be applicable where an objection raised by a taxpayer is considered as not justified based on Barbados' tax treaty policy and interpretation as allowed under the equivalent of Article 25(2) contained in Barbados' tax treaties and as interpreted by the Commentary on Article 25 of the OECD Model Tax Convention (OECD, 2017). This is clarified in Barbados' MAP profile.

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

33. Barbados reported that, if the tax treaty does not contain a filing period for MAP requests, its competent authority will follow the time limit provided for in Article 25(1), second sentence, of the OECD Model Tax Convention (OECD, 2017), namely three years as from the first notification of the action resulting in taxation not in accordance with the provisions of the tax treaty. However, Barbados' MAP guidance is silent on this aspect.

Recent developments

Bilateral modifications

34. Barbados signed a new tax treaty which is a newly negotiated treaty with a treaty partner with which there was no treaty yet in place. This treaty has not entered into force and contains a provision that is equivalent to Article 25(1), first and second sentence, of the OECD Model Tax Convention (OECD, 2015a) as it read prior to the adoption of the Action 14 final report (OECD, 2015b). The effect of this newly signed treaty has been reflected in the analysis above where it has relevance.

Multilateral Instrument

35. Barbados signed the Multilateral Instrument and has deposited its instrument of ratification on 21 December 2020. The Multilateral Instrument has entered into force for Barbados on 1 April 2021.

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

36. 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.

37. With the depositing of its instrument of ratification, Barbados 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 Barbados' tax treaties taxpayers currently have to submit a MAP request to the competent authority of the contracting state of which they are resident, Barbados opted to modify these treaties allowing taxpayers to submit a MAP request to the competent authority of either contracting state. In this respect, Barbados listed 31 of its 35 treaties as a covered tax agreement under the Multilateral Instrument and made for all, on the basis of Article 16(6)(a), the notification 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).

38. In total, four of the 31 relevant treaty partners are not a signatory to the Multilateral Instrument, whereas four have not listed their treaty with Barbados as a covered tax agreement under that instrument and seven 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. All of the remaining 16 treaty partners are signatories to the Multilateral Instrument, listed their treaty with Barbados as a covered tax agreement and have also made a notification pursuant to Article 16(6)(a).

39. Of these 16 treaty partners, 15 have already deposited their instrument of ratification of the Multilateral Instrument, following which the Multilateral Instrument has entered into force for the treaties between Barbados 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). For the remaining treaty, the instrument will, upon entry into force for this treaty, modify it to include the equivalent of this provision.

40. However, the treaty identified above that is considered not to contain 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) is not part of the 16 treaties that have been or will be modified via the Multilateral Instrument.

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

41. With respect to the period of filing of a MAP request, Article 16(4)(a)(ii) of the Multilateral Instrument stipulates that Article 16(1), second sentence – containing the equivalent of Article 25(1), second sentence, of the OECD Model Tax Convention (OECD, 2017) – will apply where such period is shorter than three years from the first notification of the action resulting in taxation not in accordance with the provisions of a tax treaty. However, this shall only apply if both contracting parties to the applicable tax treaty have listed this treaty as a covered tax agreement under the Multilateral Instrument and insofar as both notified, pursuant to Article 16(6)(b)(i), the depositary that this treaty does not contain the equivalent of Article 25(1), second sentence, of the OECD Model Tax Convention (OECD, 2017).

42. With regard to the three tax treaties identified in paragraph 26 above that contain a filing period for MAP requests of less than three years, Barbados listed all of them as covered tax agreements under the Multilateral Instrument, and made for all, pursuant to Article 16(6)(b)(i), a notification that they do not contain a provision described in Article 16(4)(a)(ii). All of the concerned treaty partners are signatories to the Multilateral Instrument, have listed their treaty with Barbados as a covered tax agreement and also made such notification.

43. All of these three 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 Barbados and these treaty partners, and therefore has modified these treaties to include the equivalent of Article 25(1), second sentence, of the OECD Model Tax Convention (OECD, 2017).

Peer input

44. The peer that provided input during stage 2 did not provide input in relation to its tax treaty with Barbados.

Anticipated modifications

45. For the remaining treaty that is not in line with element B.1 and will not be modified by the Multilateral Instrument, Barbados has no plan in place for the renegotiation of this tax treaty. As this concerns the 1954 treaty between United Kingdom and the treaty partner that continues to be applied to Barbados, such renegotiations are also not necessary. In addition, Barbados reported it will seek to include Article 25(1) 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]	One out of 35 tax treaties does not contain a provision that is equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a), either as it read prior to the adoption of the Action 14 final report or as amended by that report (OECD, 2015b). This treaty will not be modified by the Multilateral Instrument to include the required provision. With respect to this treaty, no actions have been taken nor are any actions planned to be taken.	As the one treaty that does not contain the equivalent of Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a), either as it read prior to the adoption of the Action 14 final report or as amended by that report (OECD, 2015b) and will not be modified by the Multilateral Instrument is the 1954 treaty between the United Kingdom and the treaty partner that continues to be applied to Barbados, Barbados should ensure that, once it enters into negotiations with this treaty partner, it includes the required provision.

[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).

46. 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

47. As discussed under element B.1, none of Barbados' 35 treaties currently contain 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. However, as was also discussed under element B.1, 16 of these 35 treaties have been or will be modified by the Multilateral Instrument to allow taxpayers to submit a MAP request to the competent authority of either treaty partner.

48. Barbados 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 Barbados' competent authority considers the objection raised in the MAP request not to be justified.

Recent developments

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

Practical application

Period 1 January 2017-31 December 2019 (stage 1)

50. Barbados reported that in the period 1 January 2017-31 December 2019 its competent authority has for none of the MAP requests it received decided that the objection raised by taxpayers in such request was not justified. The 2017, 2018 and 2019 MAP Statistics submitted by Barbados also show that none of its MAP cases was closed with the outcome "objection not justified".

51. No peer input was received with respect to element B.2.

Period 1 January 2020-31 October 2021 (stage 2)

52. Barbados reported that since 1 January 2020 its competent authority along with the other competent authority has for three of the MAP cases it was involved in decided that the objection raised by taxpayers in such request was not justified. The 2020 MAP statistics submitted by Barbados also shows that one of its MAP cases was closed with the outcome “objection not justified”. With respect to these cases, Barbados noted that the decision was taken by the treaty partner’s competent authority and that Barbados was notified before such decision was taken.

53. No peer input was received with respect to element B.2 during stage 2 as well.

Anticipated modifications

54. Barbados indicated that it does not anticipate any modifications in relation to element B.2.

Conclusion

	Areas for improvement	Recommendations
[B.2]	None of the 35 treaties 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 partners. 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.	Barbados should without further delay introduce a documented notification and/or consultation 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, Barbados should apply that process in practice for 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.

55. 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

56. Out of Barbados’ 35 tax treaties, 28 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. Furthermore, three tax treaties do not contain a provision that is based on or equivalent to Article 9(2) of the OECD Model Tax Convention (OECD, 2017).¹ The remaining four

treaties contain a provision that is based on Article 9(2) of the OECD Model Tax Convention (OECD, 2017), but deviate from this provision for the following reasons:

- One treaty contains a provision that is based on Article 9(2) of the OECD Model Tax Convention (OECD, 2017), but the granting of a corresponding adjustment could be read as only optional as the word “shall” is replaced by “may”
- One treaty contains a provision that is based on Article 9(2) of the OECD Model Tax Convention (OECD, 2017), but which does not contain the last part of the second sentence that allows competent authorities to consult each other where necessary
- Two treaties contain a provision that is based on Article 9(2) of the OECD Model Tax Convention (OECD, 2017), but is considered not being equivalent thereof as it stipulates that a corresponding adjustment can only be made through an agreement or consultation between the competent authorities.

57. Access to MAP should be provided in transfer pricing cases regardless of whether the equivalent of Article 9(2) is contained in Barbados’ 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, Barbados indicated that it will always provide access to MAP for transfer pricing cases and is willing to make corresponding adjustments, regardless of whether the equivalent of Article 9(2) of the OECD Model Tax Convention (OECD, 2017) is contained in its tax treaties.

58. Barbados’ MAP guidance, under the section titled “Types of requests For Competent Authority Assistance”, provides that Barbados’ competent authority will not deny a MAP request on the basis that it is a transfer pricing case.

Recent developments

Bilateral modifications

59. Barbados signed a new tax treaty which is a newly negotiated treaty with a treaty partner with which there was no treaty yet in place. This treaty has not entered into force and contains a provision that is equivalent to Article 9(2) of the OECD Model Tax Convention (OECD, 2015a). The effect of this newly signed treaty has been reflected in the analysis above where it has relevance.

Multilateral Instrument

60. Barbados signed the Multilateral Instrument and has deposited its instrument of ratification on 21 December 2020. The Multilateral Instrument has entered into force for Barbados on 1 April 2021.

61. Article 17(2) of that instrument stipulates that Article 17(1) – containing the equivalent of Article 9(2) of the OECD Model Tax Convention (OECD, 2017) – will apply in place of or in the absence of a provision in tax treaties that is equivalent to Article 9(2) of the OECD Model Tax Convention (OECD, 2017). However, this shall only apply if both contracting parties to the applicable tax treaty have listed this treaty as a covered tax agreement under the Multilateral Instrument. Article 17(2) of the Multilateral Instrument does not take effect for a tax treaty if one or both of the treaty partners have, pursuant to Article 17(3), reserved the right not to apply Article 17(1) for those tax treaties that already

contain the equivalent of Article 9(2) of the OECD Model Tax Convention (OECD, 2017), or not to apply Article 17(1) in the absence of such equivalent under the condition that: (i) it shall make appropriate corresponding adjustments or (ii) its competent authority shall endeavour to resolve the case under mutual agreement procedure of the applicable tax treaty. Where neither treaty partner has made such a reservation, Article 17(4) of the Multilateral Instrument stipulates that both have to notify the depositary whether the applicable treaty already contains a provision equivalent to Article 9(2) of the OECD Model Tax Convention (OECD, 2017). Where such a notification is made by both of them, the Multilateral Instrument will modify this treaty to replace that provision. If neither or only one treaty partner made this notification, Article 17(1) of the Multilateral Instrument will supersede this treaty only to the extent that the provision contained in that treaty relating to the granting of corresponding adjustments is incompatible with Article 17(1) (containing the equivalent of Article 9(2) of the OECD Model Tax Convention (OECD, 2017)).

62. Barbados has, pursuant to Article 17(3), not reserved the right not to apply Article 17(1) of the Multilateral Instrument for those tax treaties that already contain a provision equivalent to Article 9(2) of the OECD Model Tax Convention (OECD, 2017). With regard to the seven tax treaties identified in paragraph 56 above that are considered not to contain this equivalent, Barbados listed six of them as a covered tax agreement under the Multilateral Instrument, but only for three did it make a notification on the basis of Article 17(4). Two of these three treaty partners have, on the basis of Article 17(3), reserved the right not to apply Article 17(1). The remaining treaty partner has also made a notification on the basis of Article 17(4) that their treaty with Barbados contains a provision described in Article 17(2). This treaty partner has already deposited its instrument of ratification of the Multilateral Instrument, following which the Multilateral Instrument has entered into force for the treaty between Barbados and this treaty partner, and therefore has modified this treaty to include the equivalent of Article 9(2) of the OECD Model Tax Convention (OECD, 2017) in place of existing provisions in this treaty.

63. With regard to the remaining three treaties that were not notified by Barbados under Article 17(4), two treaty partners have not listed their treaty with Barbados under that instrument and one has, on the basis of Article 17(3), reserved the right not to apply Article 17(1). Therefore, at this stage, none of the remaining three treaties will be superseded by the Multilateral Instrument upon its entry into force for these treaties to include the equivalent of Article 9(2) of the OECD Model Tax Convention (OECD, 2017).

Application of legal and administrative framework in practice

Period 1 January 2017-31 December 2019 (stage 1)

64. Barbados reported that in the period 1 January 2017-31 December 2019, it has not denied access to MAP on the basis that the case concerned a transfer pricing case. However, no such cases in relation hereto were received in this period.

65. No peer input was received with respect to element B.3.

Period 1 January 2020-31 October 2021 (stage 2)

66. Barbados reported that also since 1 January 2020 it has not denied access to MAP on the basis that the case concerned a transfer pricing case.

67. No peer input was received with respect to element B.3 during stage 2 as well.

Anticipated modifications

68. Barbados 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 Article 9(2) in all of its future tax treaties.

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.

69. 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

70. None of Barbados' 35 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 Barbados 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 is in conflict with the provisions of a tax treaty.

71. Barbados' MAP guidance, under the section titled "Types of requests For Competent Authority Assistance", provides that Barbados' competent authority will not deny a MAP request on the basis that the case concerns the application of treaty anti-abuse provisions or the application of domestic law anti-abuse provisions conflicting with the provisions of a treaty.

Recent developments

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

Practical application*Period 1 January 2017-31 December 2019 (stage 1)*

73. Barbados reported that in the period 1 January 2017-31 December 2019 it has 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 in this period.

74. No peer input was received with respect to element B.4.

Period 1 January 2020-31 October 2021 (stage 2)

75. Barbados reported that also since 1 January 2020 it has 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 in this period as well.

76. No peer input was received with respect to element B.4 during stage 2 as well.

Anticipated modifications

77. Barbados 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.

78. 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

79. Barbados reported that under its domestic law no process is available allowing taxpayers and the tax administration to enter into a settlement agreement during the course of or after the ending of an audit.

Administrative or statutory dispute settlement/resolution process

80. Barbados reported that 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

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

Practical application

Period 1 January 2017-31 December 2019 (stage 1)

82. Barbados reported that in the period 1 January 2017-31 December 2019, it has not denied access to MAP in any case 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 Barbados.

83. No peer input was received with respect to element B.5.

Period 1 January 2020-31 October 2021 (stage 2)

84. Barbados reported that since 1 January 2020 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 Barbados.

85. No peer input was received with respect to element B.5 during stage 2 as well.

Anticipated modifications

86. Barbados 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.

87. 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

88. The information and documentation Barbados requires taxpayers to include in a request for MAP assistance are discussed under element B.8.

89. Barbados reported that where a taxpayer has failed to provide the required information in its MAP request, its competent authority would make a formal request for the required information or documentation from the taxpayer to be provided within four weeks from the date of the said request. Barbados noted that its competent authority would also review its internal records to obtain any additional information which may be helpful to the taxpayer's case and will supply copies of the same to the taxpayer where necessary.

90. Barbados clarified that although its competent authority would not deny access to MAP owing to the failure of a taxpayer to provide all of the required documentation in its initial request, access to MAP may be denied where the taxpayer has failed to provide accurate information or has made false statements or misrepresentations in line with the criminal offence prescribed under Barbados' domestic law.

91. The above information is confirmed in Barbados' MAP guidance under the section titled "Types Of requests For Competent Authority Assistance".

Recent developments

92. There are no recent developments with respect to element B.6, except for the fact that Barbados' policy in this regard has now been documented in its MAP guidance.

Practical application***Period 1 January 2017-31 December 2019 (stage 1)***

93. Barbados reported that it will provide access to MAP in all cases where taxpayers have complied with the information or documentation requirements as set out in its MAP guidance. It further reported that in the period 1 January 2017-31 December 2019, it has not denied access to MAP for cases where the taxpayer had provided the required information or documentation.

94. No peer input was received with respect to element B.6.

Period 1 January 2020-31 October 2021 (stage 2)

95. Barbados reported that since 1 January 2020 its competent authority has also not denied access to MAP for cases where the taxpayer had provided the required information or documentation.

96. No peer input was received with respect to element B.6 during stage 2 as well.

Anticipated modifications

97. Barbados indicated that it does not anticipate any modifications in relation to element B.6 for the moment.

Conclusion

	Areas for improvement	Recommendations
[B.6]	-	-

[B.7] Include Article 25(3), second sentence, of the OECD Model Tax Convention 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.

98. 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 Barbados' tax treaties

99. Out of Barbados' 35 tax treaties, 32 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.² The remaining three tax treaties do not contain a provision that is based on or equivalent to Article 25(3), second sentence of the OECD Model Tax Convention (OECD, 2017).³

100. For the three treaties identified that do not contain the equivalent of Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017), only one peer provided input during stage 1. However, no input was provided in respect of element B.7.

Recent developments***Bilateral modifications***

101. Barbados signed a new tax treaty which is a newly negotiated treaty with a treaty partner with which there was no treaty yet in place. This treaty has not entered into force and contains a provision that is equivalent to Article 25(3), second sentence, of the OECD

Model Tax Convention (OECD, 2017). The effect of this newly signed treaty has been reflected in the analysis above where it has relevance.

Multilateral Instrument

102. Barbados signed the Multilateral Instrument and has deposited its instrument of ratification on 21 December 2020. The Multilateral Instrument has entered into force for Barbados on 1 April 2021.

103. Article 16(4)(c)(ii) of that instrument stipulates that Article 16(3), second sentence – containing the equivalent of Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017) – will apply in the absence of a provision in tax treaties that is equivalent to Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017). In other words, in the absence of this equivalent, Article 16(4)(c)(ii) of the Multilateral Instrument will modify the applicable tax treaty to include such equivalent. However, this shall only apply if both contracting parties to the applicable tax treaty have listed this treaty as a covered tax agreement under the Multilateral Instrument and insofar as both notified, pursuant to Article 16(6)(d)(ii), the depositary that this treaty does not contain the equivalent of Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017).

104. With regard to the three tax treaties identified above that are considered not to contain the equivalent of Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017), Barbados listed all of them as a covered tax agreement under the Multilateral Instrument and made for all, pursuant to Article 16(6)(d)(ii), a notification that they do not contain a provision described in Article 16(4)(c)(ii). Of the relevant three treaty partners, one did not list its treaty with Barbados as a covered tax agreement. Both the remaining treaty partners are signatories to the Multilateral Instrument, listed their treaty with Barbados as a covered tax agreement and also made such notification.

105. Of these two treaty partners, one has already deposited its instrument of ratification of the Multilateral Instrument, following which the Multilateral Instrument has entered into force for the treaty between Barbados and this treaty partner, and therefore has modified this treaty to include the equivalent of Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017). For the remaining treaty, the instrument will, upon entry into force for this treaty, modify it to include the equivalent of this provision.

Peer input

106. The peer that provided input during stage 2 did not provide input in relation to its tax treaty with Barbados.

Anticipated modifications

107. For the remaining treaty that is not in line with element B.7 and will not be modified by the Multilateral Instrument, Barbados has no plan in place for the renegotiation of this tax treaty. As this concerns the 1954 treaty between United Kingdom and the treaty partner that continues to be applied to Barbados, such renegotiations are also not necessary. In addition, Barbados 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]	<p>Three out of 35 tax treaties do not contain a provision that is equivalent to Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017). Of these three treaties:</p> <ul style="list-style-type: none"> • One has been modified by the Multilateral Instrument to include the required provision. • One is expected to be modified by the Multilateral Instrument to include the required provision. • The remaining treaty will not be modified by the Multilateral Instrument to include the required provision. With respect this treaty, no actions have been taken nor are any actions planned to be taken. 	<p>As the one remaining treaty that does not contain the equivalent of Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017) and will not be modified by the Multilateral Instrument is the 1954 treaty between the United Kingdom and the treaty partner that continues to be applied to Barbados, Barbados should ensure that, once it enters into negotiations with this treaty partner, it includes the required provision.</p>

[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.

108. 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.

Barbados’ MAP guidance

109. Barbados issued guidance on the governance and administration of the mutual agreement procedure (“**MAP guidance**”), which was published in March 2021 and is available (in English) at:

<https://bra.gov.bb/About/Exchange-of-Information/Mutual-Agreement-Procedures-MAP.aspx>

110. This MAP guidance consists of 27 sections and covers the following topics:

- a. contact information of the competent authority or the office in charge of MAP cases
- b. the manner and form in which the taxpayer should submit its MAP request
- c. the specific information and documentation that should be included in a MAP request (see also below)
- d. how the MAP functions in terms of timing and the role of the competent authorities
- e. information on availability of arbitration
- f. relationship with domestic available remedies
- g. access to MAP in transfer pricing cases, anti-abuse provisions and for multi-year resolution of cases
- h. implementation of MAP agreements (including the steps of the process and the timing of such steps for the implementation of MAP agreements, and any actions to be taken by taxpayers)

- i. interest charges, refunds and penalties
- j. suspension of tax collection pending MAP.

111. The above-described MAP guidance includes detailed information on the availability and the use of MAP and the procedure in practice. This guidance includes the information that the FTA MAP Forum agreed should be included in a jurisdiction’s MAP guidance, 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.⁴

112. Although the information included in Barbados’ MAP guidance is detailed and comprehensive, a few subjects are not specifically discussed, including:

- whether MAP is available for multilateral cases
- whether MAP is available for cases concerning bona fide foreign-initiated self-adjustments.

Information and documentation to be included in a MAP request

113. 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.⁵ Barbados’ MAP guidance enumerates in the sub-section titled “Format of request” within the section titled “Making a MAP request”, which items must be included in a request for MAP (if available), which are checked in the following list:

- 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.

114. Further to the above, Barbados’ MAP guidance states that the request for MAP must include the following documents:

- incorporation details of a company making a MAP request
- details of the tax administration that made or proposed to make the adjustment
- identification of related taxpayers in transfer pricing cases
- details of all transactions and structure of the taxpayer along with related entities
- taxable periods concerned

- consent for a representative to act on behalf of the taxpayer, where applicable
- copies of settlements reached with other tax authorities on the case at hand
- taxpayer views on how to resolve the case, where possible.

Recent developments

115. As detailed above, Barbados has issued its MAP guidance which was published in March 2021. Since the guidance includes the contact information of its competent authority as well as the manner and form in which the taxpayer should submit its MAP request, including the documentation/information that it should include in such a request, the recommendation made in stage 1 has been addressed.

Anticipated modifications

116. Barbados indicated that it does not anticipate any modifications in relation to element B.8.

Conclusion

	Areas for improvement	Recommendations
[B.8]	-	-

[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.

117. 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.⁶

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

118. The MAP guidance of Barbados is published and can be found (in English) at:

<https://bra.gov.bb/About/Exchange-of-Information/Mutual-Agreement-Procedures-MAP.aspx>

119. This guidance was published in March 2021. As regards its accessibility, Barbados’ MAP guidance can be easily found in English through the website of the Barbados Revenue Authority or through a search engine.

MAP profile

120. The MAP profile of Barbados is published on the website of the OECD and was last updated in April 2022. This MAP profile is complete and contains detailed information. This profile also contains external links that provide extra information and guidance where appropriate.

Recent developments

121. As mentioned above, Barbados has introduced MAP guidance in March 2021 and has made it publicly available on the website of the Barbados Revenue Authority. Further, Barbados has updated its MAP profile to provide more detailed information, including links to such guidance where appropriate. Therefore, the recommendation made in stage 1 has been addressed.

Anticipated modifications

122. Barbados indicated that it does not anticipate any modifications in relation to element B.9.

Conclusion

	Areas for improvement	Recommendations
[B.9]	-	-

[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.

123. 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

124. As previously discussed under B.5, audit settlements are not possible in Barbados.

125. No peer input was received with respect to element B.10.

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

126. As also previously mentioned under element B.5, Barbados 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 Barbados’ MAP guidance.

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

127. As Barbados does not have an internal administrative or statutory dispute settlement/resolution process in place that has an impact on MAP, there is no need for notifying treaty partners of such process.

Recent developments

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

Anticipated modifications

129. Barbados indicated that it does not anticipate any modifications in relation to element B.10.

Conclusion

	Areas for improvement	Recommendations
[B.10]	-	-

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>.

Notes

1. These three treaties include the CARICOM treaty that Barbados applies to Antigua and Barbuda, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines and Trinidad and Tobago as well as the 1954 treaty between the United Kingdom and Switzerland that Switzerland continues to apply to Barbados.
2. These 32 treaties include the CARICOM treaty that Barbados applies to Antigua and Barbuda, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines and Trinidad and Tobago.
3. These three treaties include the 1954 treaty between the United Kingdom and Switzerland that Switzerland continues to apply to Barbados.
4. Available at: www.oecd.org/fr/fiscalite/beps/beps-action-14-accroitre-l-efficacite-des-mecanismes-de-reglement-des-differends-documents-pour-l-examen-par-les-pairs.pdf.
5. Available at: www.oecd.org/tax/beps/beps-action-14-on-more-effective-dispute-resolution-peer-review-documents.pdf.
6. The shared public platform can be found at: www.oecd.org/ctp/dispute/country-map-profiles.htm.

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.

130. 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, 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 Barbados' tax treaties

131. Out of Barbados' 35 tax treaties, 32 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.¹

132. For the remaining three treaties the following analysis is made:

- One tax treaty contains the text of Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017), but also contains additional language that reads: "...The mutual agreement procedure shall expire by the end of the third year following that in which the case was presented by the taxpayer". As the inclusion of this sentence bears the risk that a MAP case cannot be resolved anymore if an agreement is not reached within the three-year or four-year period, these treaties are considered to not contain the equivalent of Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017)
- One tax treaty contains the text of Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017), but also contains additional language that limits the possibility to discuss cases bilaterally, as this additional language reads:

“...provided that the competent authority of the other Contracting State is notified of the case within 4 (four) and a half years from the due date or the date of filing of the return in that other State, whichever is later”. Such an obligation may prevent that cases are effectively dealt with in MAP. Therefore, this tax treaty is also considered not being equivalent to Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017)

- One tax treaty does not contain a provision that is based on equivalent to Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017).²

133. For the three treaties identified that do not contain the equivalent of Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017), only one peer provided input during stage 1. However, no input was provided in respect of element C.1.

Recent developments

Bilateral modifications

134. Barbados signed a new tax treaty which is a newly negotiated treaty with a treaty partner with which there was no treaty yet in place. This treaty has not entered into force and contains a provision that is equivalent to Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017). The effect of this newly signed treaty has been reflected in the analysis above where it has relevance.

Multilateral Instrument

135. Barbados signed the Multilateral Instrument and has deposited its instrument of ratification on 21 December 2020. The Multilateral Instrument has entered into force for Barbados on 1 April 2021.

136. Article 16(4)(b)(i) of that instrument stipulates that Article 16(2), first sentence – containing the equivalent of Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017) – will apply in the absence of a provision in tax treaties that is equivalent to Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017). In other words, in the absence of this equivalent, Article 16(4)(b)(i) of the Multilateral Instrument will modify the applicable tax treaty to include such equivalent. However, this shall only apply if both contracting parties to the applicable tax treaty have listed this treaty as a covered tax agreement under the Multilateral Instrument and insofar as both notified, pursuant to Article 16(6)(c)(i), the depositary that this treaty does not contain the equivalent of Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017).

137. With regard to the three tax treaties identified above that are considered not to contain the equivalent of Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017), Barbados listed all of them as a covered tax agreement under the Multilateral Instrument but only for two treaties did it make, pursuant to Article 16(6)(c)(i), a notification that they do not contain a provision described in Article 16(4)(b)(i). Of the relevant two treaty partners, one did not list its treaty with Barbados as a covered tax agreement. The remaining treaty partner is a signatory to the Multilateral Instrument, listed its treaty with Barbados as a covered tax agreement and also made such notification. Therefore, at this stage, one of the three tax treaties identified above will be modified by the Multilateral Instrument upon its entry into force for these treaties to include the equivalent of Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017).

Peer input

138. The peer that provided input during stage 2 did not provide input in relation to its tax treaty with Barbados.

Practical application

139. Barbados' MAP guidance, under the section titled "Termination" notes that Barbados' competent authority reserves the right to propose to the other competent authority that the MAP process be terminated under the following circumstances

- a. the subject of the MAP request is not within the scope of the tax treaty
- b. the MAP request or the attachments thereto contain incorrect/false information
- c. the taxpayer has failed to provide the requested documentation necessary
- d. the taxpayer does not accept the proposed agreement reached by the competent authorities
- e. it is recognised that continuation of MAP will not result in an agreement
- f. any other reasons not mentioned above.

140. Similarly, Barbados' MAP guidance under the section titled "Competent authority agreement not reached" states that Barbados' competent authority considers itself not obliged to engage in further discussions with the other competent authority where either of them believes that an agreement cannot be reached.

141. Although conditions a) to c) are in line with requirements for an eligible case under a tax treaty and the Action 14 minimum standard and conditions d) and e) are within accepted practice among competent authorities, condition f) suggests that Barbados' competent authority may propose to terminate discussions on a MAP case for any other reasons not mentioned above. However, Barbados clarified that this discretion would not be used for situations not covered in conditions a) to e) above and would be used in a manner that is in line with the obligation placed on the competent authority to endeavour to resolve MAP cases under the equivalent of Article 25(2) contained in Barbados' tax treaties and as interpreted by the Commentary on Article 25 of the OECD Model Tax Convention (OECD, 2017). This is clarified in Barbados' MAP profile.

Anticipated modifications

142. Barbados reported that when the tax treaties that do not contain the equivalent of Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017) will not be modified by the Multilateral Instrument, it will strive to update them via bilateral negotiations to be compliant with element C.1. Barbados, however, reported not having in place a specific plan for such negotiations. As one of these two treaties concerns the 1954 treaty between United Kingdom and the treaty partner that continues to be applied to Barbados, such renegotiations are not necessary for this treaty. In addition, Barbados 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]	<p>Three out of 35 tax treaties do not contain a provision that is equivalent to Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017). Of these three treaties:</p> <ul style="list-style-type: none"> • One is expected to be modified by the Multilateral Instrument to include the required provision. • The remaining two treaties will not be modified by the Multilateral Instrument to include the required provision. With respect these treaties, no actions have been taken nor are any actions planned to be taken. 	<p>As one of the remaining two treaties that does not contain the equivalent of Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017) and will not be modified by the Multilateral Instrument is the 1954 treaty between the United Kingdom and the treaty partner that continues to be applied to Barbados, Barbados should ensure that, once it enters into negotiations with this treaty partner, it includes the required provision.</p> <p>For the remaining treaty that will not be modified by the Multilateral Instrument to include the equivalent of Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017), Barbados should, without further delay, request the inclusion of the required provision via bilateral negotiations.</p>

[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).

143. 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

144. 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. Also, for MAP requests submitted prior to that date, the FTA MAP Forum agreed to report MAP statistics on the basis of an agreed template. Barbados joined in the Inclusive Framework in 2017. For this reason the statistics referred to are pre-2017 cases for cases that were pending on 31 December 2016, and post-2016 cases for cases that started on or after 1 January 2017. Barbados did not provide its MAP statistics for 2017 and 2018 pursuant to the MAP Statistics Reporting Framework, but only shared such statistics during the peer review process. Barbados submitted its MAP statistics for 2019 and 2020 pursuant to the MAP Statistics Reporting Framework within the given deadline. The statistics discussed below include both pre-2017 and post-2016 cases and they are attached to this report as Annex B and Annex C respectively and should be considered jointly to understand the MAP caseload of Barbados.³

145. With respect to post-2016 cases, Barbados reported having reached out to all of its MAP partners with a view to have their MAP statistics matching. In that regard, Barbados reported that it could match its post-2016 MAP statistics with all but two of its treaty partners, since its competent authority was awaiting information for these cases.

146. No peer input was received on the matching of MAP statistics with Barbados for the years 2017-20.

147. In that regard, based on the information provided by Barbados' MAP partners, its post-2016 MAP statistics do not match those of its treaty partners as reported by the latter.

Monitoring of MAP statistics

148. Barbados does not have a system in place with its treaty partners that communicates, monitors and manages with its treaty partners the MAP caseload.

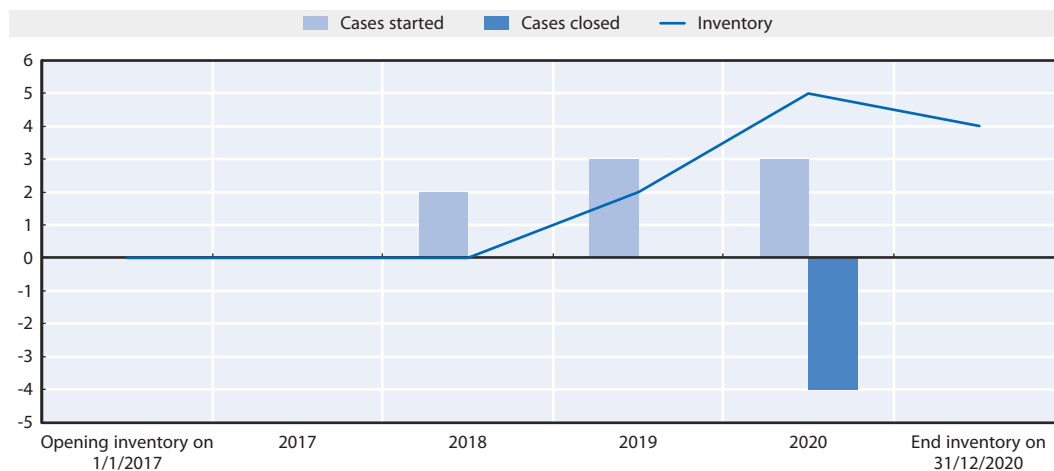
Analysis of Barbados' MAP caseload

Global overview

149. The analysis of Barbados' MAP caseload relates to the period starting on 1 January 2017 and ending on 31 December 2020.⁴

150. Figure C.1 shows the evolution of Barbados' MAP caseload over the Statistics Reporting Period.

Figure C.1. Evolution of Barbados' MAP caseload



151. At the beginning of the Statistics Reporting Period, Barbados had no pending MAP cases. At the end of the Statistics Reporting Period, Barbados had four MAP cases in its inventory, all of which are other MAP cases. Barbados' MAP caseload has increased by four cases during the Statistics Reporting Period.

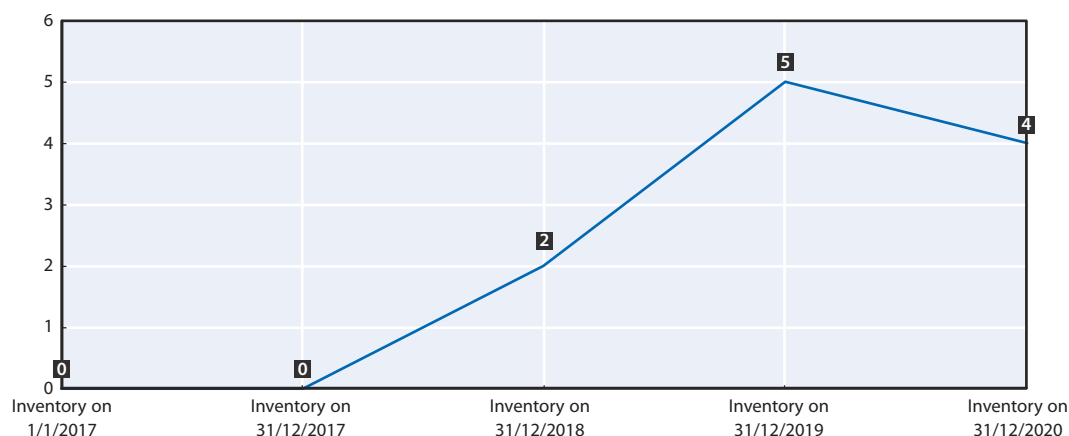
Pre-2017 cases

152. Barbados did not have any pre-2017 MAP cases in its inventory.

Post-2016 cases

153. Figure C.2 shows the evolution of Barbados' post-2016 MAP cases over the Statistics Reporting Period.

Figure C.2. Evolution of Barbados' MAP inventory – Post-2016 cases



154. In total, eight MAP cases started during the Statistics Reporting Period, three of which concerned attribution/allocation cases and five of which concerned other MAP cases. At the end of this period the total number of post-2016 cases in the inventory was four, all of which are other MAP cases. Accordingly, Barbados closed four post-2016 cases during the Statistics Reporting Period, which represents approximately 50% of the total number of post-2016 cases that started during the Statistics Reporting Period and which concern three attribution/allocation cases and one other MAP case.

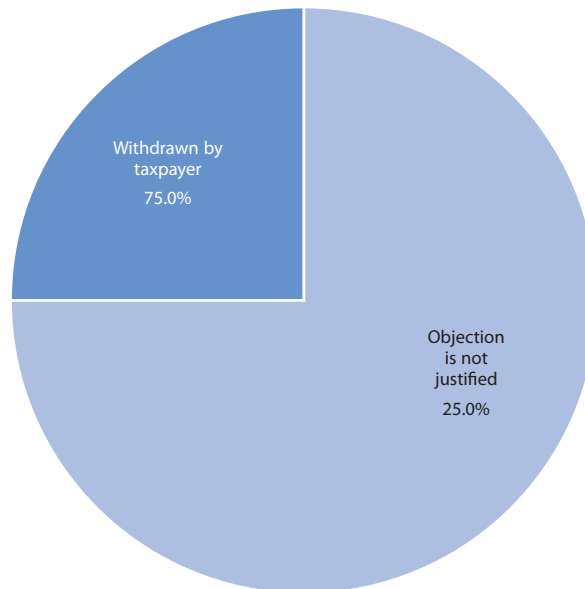
155. The number of post-2016 cases closed as compared to the number of post-2016 cases started during the Statistics Reporting Period is shown in the table below.

Post-2016 cases	% of cases closed in 2017 compared to cases started in 2017	% of cases closed in 2018 compared to cases started in 2018	% of cases closed in 2019 compared to cases started in 2019	% of cases closed in 2020 compared to cases started in 2020	Cumulative evolution of total MAP caseload over the three years (2017-20)
Attribution/allocation cases	(no cases started)	(no cases started)	(no cases started)	100%	100%
Other cases	(no cases started)	0%	0%	(no cases started)	20%

*Overview of cases closed during the Statistics Reporting Period**Reported outcomes*

156. During the Statistics Reporting Period, Barbados closed four MAP cases for which the outcomes shown in Figure C.3 were reported.

Figure C.3. Cases closed in 2017, 2018, 2019 or 2020 (Four cases)



157. Figure C.3 shows that in total, four MAP cases were closed during the Statistics Reporting Period. While three cases were resolved with the outcome “objection not justified”, one case was resolved with the outcome “withdrawn by taxpayer”.

Reported outcomes for attribution/allocation cases

158. In total three attribution/allocation cases were closed during the Statistics Reporting Period. The reported outcomes for these cases was “objection not justified”, which was decided by the treaty partner in all of these cases.

Reported outcomes for other cases

159. In total one other MAP case was closed during the Statistics Reporting Period. The reported outcome for this case was “withdrawn by taxpayer”.

Average timeframe needed to resolve MAP cases

160. The average time needed to close MAP cases during the Statistics Reporting Period was 6.35 months. This average can be broken down as follows:

	Number of cases	Start date to End date (in months)
Attribution/Allocation cases	3	0.46
Other cases	1	24.00
All cases	4	6.35

161. The above data concerns post-2016 cases since Barbados did not have any pre-2017 cases in its inventory.

Peer input

162. No peer input was received in respect of element C.2.

Recent developments

163. Barbados was in the stage 1 peer review report under element C.2 recommended to report its MAP statistics in accordance with the MAP Statistics Reporting Framework and to endeavour to match its MAP statistics with all of its treaty partners. In this respect, Barbados submitted its MAP Statistics for 2020 within the prescribed deadline. However, Barbados did not endeavour to match its MAP Statistics with all of its treaty partners. Therefore, the recommendation made in stage 1 has not been fully addressed.

164. Further, Barbados was in the stage 1 peer review report under element C.2 recommended to seek to resolve its post-2016 cases pending on 31 December 2019 (three cases) within a timeframe that results in an average timeframe of 24 months for all post-2016 cases.

165. In view of the statistics discussed above, it follows that Barbados was able to close its MAP cases within an average time frame of 24 months in this period. However, Barbados' MAP inventory has increased by four cases during the Statistics Reporting Period. Element C.3 will further consider these numbers in light of the adequacy of resources.

166. No peer input was received in respect of element C.2 during stage 2 as well.

Anticipated modifications

167. Barbados indicated that it does not anticipate any modifications in relation to element C.2.

Conclusion

	Areas for improvement	Recommendations
[C.2]	Matching of MAP statistics was not sought with all of its treaty partners.	Barbados should endeavour to match its MAP statistics with all of its treaty partners.

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

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

168. 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 Barbados' competent authority

169. Under the tax treaties that Barbados has entered into, the competent authority function is generally assigned to the Minister of Finance. Accordingly, this function is delegated to the Barbados Revenue Authority, which is further delegated to the Office of the General Counsel within its International Relations Unit. The competent authority of Barbados currently employs three staff members that deal partly with MAP cases along with various other tasks in the Barbados Revenue Authority.

170. Barbados reported that the three employees of the Barbados Revenue Authority that deal with MAP cases are Attorneys-at-Law. These staff members have limited experience in MAP, in line with Barbados' limited experience in MAP in general.

171. Barbados clarified that it has no specialised resources for MAP given the fact that it has received very few MAP requests from taxpayers or other competent authorities.

172. However, Barbados reported that relevant training has been provided to its competent authority staff members through the OECD’s virtual MAP trainings. With respect to funding for conducting face-to-face meetings, Barbados clarified that funds are usually very limited and therefore, face-to-face meetings are quite infrequent if at all possible, Barbados noted that it usually only has enough funding to secure the attendance of one participant at a face-to-face meeting.

Monitoring mechanism

173. Barbados reported that it does not presently have a specific monitoring mechanism in place to monitor the work of the competent authority.

Recent developments

174. In the stage 1 report, Barbados was recommended to monitor whether the resources available for the competent authority function remain adequate in order to resolve its pending MAP inventory and future MAP cases in a timely, efficient and effective manner.

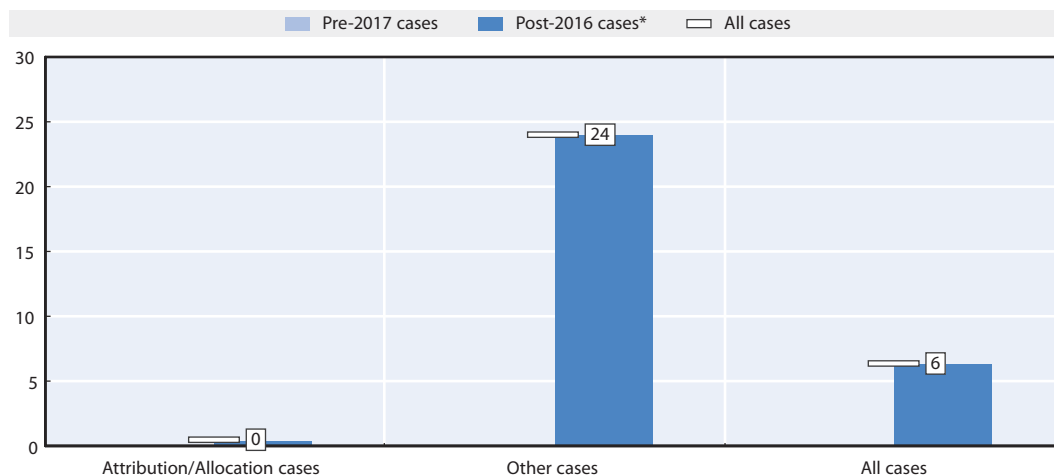
175. In this regard, Barbados noted that its competent authority has now been shifted to the Office of the General Counsel within the International Relations Unit of the Barbados Revenue Authority. Further, one additional staff member has been added to Barbados’ competent authority. In addition, in the stage 1 report it was mentioned that the staff members in Barbados’ competent authority were also tasked with the responsibility of defending the revenue’s position before the Tribunal and Courts, where applicable. However, pursuant to its recent reorganisation, Barbados’ competent authority staff are no longer required to fulfil these functions.

Practical application

MAP statistics

176. As discussed under element C.2, Barbados has closed its MAP cases during the Statistics Reporting Period within the pursued 24-month average, as it needed 6.35 months to close four MAP cases. This is owing to an average time of 24.00 months for one other MAP case and 0.46 months for three attribution/allocation cases. The average time to resolve MAP cases in 2017-20 can be illustrated by Figure C.4.

Figure C.4. Average time (in months) to close cases in 2017-20



*Note that post-2016 cases only concern cases started and closed during 2017, 2018, 2019 or 2020.

177. The stage 1 peer review report of Barbados analysed the 2017-19 MAP statistics and noted that Barbados had not closed any MAP cases during this period. For stage 2, the 2020 MAP statistics are also taken into account and the above mentioned average times were reported for 2020.

178. Further, as discussed in element C.2, although the MAP inventory of Barbados has increased since 1 January 2017, it remains modest. This can be shown as follows:

2017-20	Opening inventory on 1/1/2017	Cases started	Cases closed	End inventory on 31/12/2020
Attribution/allocation cases	0	3	3	0
Other cases	0	5	1	4
Total	0	8	4	4

179. These numbers show that there was an increase of four MAP cases during this period. Further, all the cases that were resolved in 2020 were resolved owing to actions taken by Barbados' treaty partners or the taxpayer. In addition, Barbados reported that Barbados' competent authority recognised that multiple cases started in 2019 were missed out and that actions were taken to notify its treaty partners only in 2020.

Peer input

180. No peer input was received with respect to element C.3 during stage 1 or stage 2.

Anticipated modifications

181. Barbados indicated that two additional staff members have been added to its competent authority subsequent to the period under review for stage 2.

Conclusion

	Areas for improvement	Recommendations
[C.3]	Although MAP cases were closed within the 24-month average (which is the pursued average for resolving MAP cases received on or after 1 January 2017) and Barbados' MAP inventory remains modest, Barbados has faced some practical issues in monitoring and acting on its MAP cases in a timely manner.	In light of the recent reorganisation of its competent authority, Barbados should monitor whether the resources available for the competent authority function remain adequate in order to resolve its pending MAP inventory and future MAP cases in a timely, efficient and effective manner. In particular, Barbados should monitor whether the staff members in the competent authority have sufficient training to act on and deal with their MAP cases.

[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.

182. 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

183. Barbados clarified that even though all tax administration personnel involved in audit matters are employees of the Barbados Revenue Authority as well, the staff members involved in MAP are not involved in the audit function and that at no time will the same staff member be involved in an adjustment as well as a subsequent MAP case. Barbados further reported that the negotiation and conclusion of MAP cases does not require the approval of personnel in the tax administration that are responsible for audit. Accordingly, Barbados reported that the staff in charge of MAP in Barbados would have the necessary authority to resolve MAP cases as it is not dependent on the approval/direction of the tax administration personnel directly involved in the adjustment and there are no impediments in Barbados' abilities to perform its MAP functions.

184. Further, Barbados noted that the Barbados Revenue Authority is not responsible for tax treaty policy as the Ministry of Finance is directly responsible for this. Therefore, Barbados clarified that its competent authority will take into consideration the actual terms of a tax treaty as applicable for the relevant year and that it is committed not to be influenced by policy considerations that Barbados would like to see reflected in future amendments to the treaty.

Recent developments

185. In the stage 1 report, Barbados was recommended to monitor whether the role played by the competent authority staff in defending audit adjustments before the tribunal and/or courts could interfere with their authority to function independently from the audit function

186. In this regard, Barbados noted that its competent authority has now been shifted to the Office of the General Counsel within the International Relations Unit of the Barbados Revenue Authority. Further, one additional staff member has been added to Barbados' competent authority. Therefore, pursuant to its recent reorganisation, Barbados' competent authority staff are no longer required to defend audit adjustments before its tribunals and/or courts. Accordingly, the recommendation made in stage 1 has been addressed.

Practical application

187. No peer input was received with respect to element C.4 during stage 1 or stage 2.

Anticipated modifications

188. Barbados 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.

189. 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 Barbados

190. The Action 14 final report (OECD, 2015) includes examples of performance indicators that are considered appropriate. These indicators are:

- 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).

191. In view of these indicators, Barbados reported that currently it does not have any metrics designed to evaluate staff specifically for their work on MAP cases. Barbados noted, however, that there are broader metrics in place designed to evaluate staff of the Barbados Revenue Authority based on their performance in relation to all tasks undertaken.

192. Further to the above, Barbados also 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

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

Practical application

194. No peer input was received in respect of element C.5 during stage 1 or stage 2.

Anticipated modifications

195. Barbados 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.

196. 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

197. Barbados reported that it has no domestic law limitations for including MAP arbitration in its tax treaties.

Recent developments

198. Barbados signed the Multilateral Instrument and has deposited its instrument of ratification on 21 December 2020. The Multilateral Instrument has entered into force for Barbados on 1 April 2021. With the depositing of the instrument of ratification, Barbados 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

199. To date, Barbados has incorporated an arbitration clause in one of its 35 treaties as a final stage to the MAP. This clause provides for voluntary and binding arbitration.

200. In addition, with respect to the effect of part VI of the Multilateral Instrument on Barbados' tax treaties, there are next to Barbados in total 31 signatories to this instrument that also opted for part VI. Concerning these 31 signatories, Barbados listed 11 as a covered tax agreement under the Multilateral Instrument and all of these 11 treaty partners also listed their treaty with Barbados under that instrument. In one of these 11 treaties, Barbados has already included an arbitration provision, which is the provision referred to above. Barbados listed this treaty under Article 26(1) with a view to replacing the arbitration provision contained in that treaty with part VI. With respect to this treaty, the relevant treaty partner also made a notification under Article 26(1). As both Barbados and this treaty

partner have already deposited their instrument of ratification of the Multilateral Instrument, part VI has replaced the arbitration provision contained in this treaty.⁵

201. All of the remaining ten treaty partners have already deposited their instrument of ratification of the Multilateral Instrument. In this respect, part VI will apply to these ten treaties and introduce the arbitration provision of the Multilateral Instrument in these treaties.

Anticipated modifications

202. Barbados 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>.

Notes

1. These 32 treaties include the CARICOM treaty that Barbados applies to Antigua and Barbuda, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines and Trinidad and Tobago.
2. This treaty concerns the 1954 treaty between the United Kingdom and Switzerland that Switzerland continues to apply to Barbados.
3. For post-2016 cases, if the number of MAP cases in Barbados’ inventory at the beginning of the Statistics Reporting Period plus the number of MAP cases started during the Statistics Reporting Period was more than five, Barbados reports its MAP caseload on a jurisdiction-by-jurisdiction basis. This rule applies for each type of cases (attribution/allocation cases and other cases).
4. Barbados’ 2019 and 2020 MAP statistics were corrected in the course of its peer review and deviate from the published MAP statistics for these years. See for a further explanation Annex B and C.
5. Annex A reflects the effect of part VI of the Multilateral Instrument for this treaty.

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.

203. 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

204. Barbados reported that where the underlying tax treaty contains the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017), it will implement all MAP agreements irrespective of its domestic time limits.

205. However, Section 54 of Barbados’ Income Tax Act includes a statute of limitation of nine years from the end of the concerned financial year, applicable to upward and downward adjustments, as long as there is no undeclared income. Barbados reported that where a tax treaty does not contain the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017), the implementation of MAP agreements would be restricted by this limitation period.

206. Barbados’ MAP guidance, under the section titled “Notification of an Agreement”, provides details on the implementation of MAP agreements in Barbados. It is noted that where an agreement is reached in MAP, the taxpayer shall be notified of the same along with the contents within four weeks from the last competent authority meeting. It is further noted that the competent authority will give effect to such agreement and seek to ensure its implementation without delay. It is also provided that all MAP agreements would be implemented notwithstanding domestic time-limits, although this is not in line with Barbados’ reporting in paragraph 205 above.

Recent developments

207. There are no recent developments with respect to element D.1, except for the fact that Barbados’ MAP guidance now provides details as to the implementation of MAP agreements in Barbados.

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

208. Barbados reported that there were no MAP agreements reached with another competent authority that required implementation in Barbados in the period 1 January 2017-31 December 2019.

209. No peer input was received with respect to element D.1.

Period 1 January 2020-31 October 2021 (stage 2)

210. Barbados reported that there were no MAP agreements reached with another competent authority that required implementation in Barbados also since 1 January 2020.

211. No peer input was received with respect to element D.1 during stage 2 as well.

Anticipated modifications

212. Barbados indicated that it does not anticipate any modifications in relation to element D.1.

Conclusion

	Areas for improvement	Recommendations
[D.1]	As will be discussed under element D.3 not all of Barbados' tax treaties contain the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017). Therefore, there is a risk that for those tax treaties that do not contain that provision, not all MAP agreements will be implemented due to time limits in its domestic law.	When, after a MAP case is initiated, the domestic statute of limitation may, in the absence of the second sentence of Article 25(2) of the OECD Model Tax Convention (OECD, 2017) in Barbados' relevant tax treaty, prevent the implementation of a MAP agreement, Barbados should put appropriate procedures in place to ensure that such an agreement is implemented. In addition, where during the MAP process the domestic statute of limitations may expire and may then affect the possibility to implement a MAP agreement, Barbados should for clarity and transparency purposes notify the treaty partner thereof without delay.

[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.

213. 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

214. As discussed under element D.1., Barbados reported that there are no specific time limits set for the implementation of MAP agreements, except that its MAP guidance notes that all MAP agreements should be implemented without delay.

Recent developments

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

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

216. Barbados reported that there were no MAP agreements reached with another competent authority that required implementation in Barbados in the period 1 January 2017-31 December 2019.

217. No peer input was received with respect to element D.2.

Period 1 January 2020-31 October 2021 (stage 2)

218. Barbados reported that there were no MAP agreements reached with another competent authority that required implementation in Barbados also since 1 January 2020.

219. No peer input was received with respect to element D.2 during stage 2 as well.

Anticipated modifications

220. Barbados 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.

221. 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 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 Barbados' tax treaties

222. As discussed under element D.1, Barbados' domestic legislation includes a statute of limitations of nine years from the end of the concerned financial year, applicable to upward and downward adjustments, as long as there is no undeclared income, for implementing MAP agreements, unless overridden by tax treaties.

223. Out of Barbados' 35 tax treaties, 28 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. In addition, one tax treaty does not contain Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017), but contains a provision in the MAP article setting a time limit for making primary adjustments, which is considered as having both alternative provisions in Article 9(1) and Article 7(2) of the OECD Model Tax Convention (OECD, 2017).

224. For the remaining six tax treaties the following analysis is made:

- One tax treaty does not contain a provision that is based on or equivalent to Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017), but contains only the alternative provision in Article 9(1) of the OECD Model Tax Convention (OECD, 2017).
- Four tax treaties do not contain a provision that is based on or equivalent to Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017), or the alternative provisions in Article 9(1) and Article 7(2) of the OECD Model Tax Convention (OECD, 2017).¹
- One tax treaty contains a provision that is based on Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017), but also includes wording that a MAP agreement must be implemented within ten years from the due date or the date of filing of the return in that other state. As this bears the risk that MAP agreements cannot be implemented due to time constraints in domestic law of the treaty partners, this tax treaty therefore is considered not being equivalent to Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017).

225. For the six treaties identified that do not contain the equivalent of Article 25(2), second sentence of the OECD Model Tax Convention (OECD, 2017) or both alternative provisions, one of the relevant peers provided input during stage 1. This peer noted that its treaty with Barbados was not in line with element D.3 of Action 14 minimum standard, but reported that since MAP cases have not arisen in respect of this treaty, it treated other treaty partners with priority regarding the implementation of the minimum standard in the field of MAP and that it intends to enter into contact with Barbados in this respect in due course.

Recent developments

Bilateral modifications

226. Barbados signed a new tax treaty which is a newly negotiated treaty with a treaty partner with which there was no treaty yet in place. This treaty has not entered into force and contains a provision that is equivalent to Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017). The effect of this newly signed treaty has been reflected in the analysis above where it has relevance.

Multilateral Instrument

227. Barbados signed the Multilateral Instrument and has deposited its instrument of ratification on 21 December 2020. The Multilateral Instrument has entered into force for Barbados on 1 April 2021.

228. Article 16(4)(b)(ii) of that instrument stipulates that Article 16(2), second sentence – containing the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) – will apply in the absence of a provision in tax treaties that is equivalent to Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017). In other words, in the absence of this equivalent, Article 16(4)(b)(ii) of the Multilateral Instrument will modify the applicable tax treaty to include such equivalent. However, this shall only apply if both contracting parties to the applicable tax treaty have listed this treaty as a covered tax agreement under the Multilateral Instrument and insofar as both, pursuant to Article 16(6)(c)(ii), notified the depositary that this treaty does not contain the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017). Article 16(4)(b)(ii) of the Multilateral Instrument will for a tax treaty not take effect if one or both of the treaty partners has, pursuant to Article 16(5)(c), reserved the right not to apply the second sentence of Article 16(2) of that instrument for all of its covered tax agreements under the condition that: (i) any MAP agreement shall be implemented notwithstanding any time limits in the domestic laws of the contracting states, or (ii) the jurisdiction intends to meet the Action 14 Minimum Standard by accepting in its tax treaties the alternative provisions to Article 9(1) and 7(2) concerning the introduction of a time limit for making transfer pricing profit adjustments.

229. With regard to the six tax treaties identified above that are considered not to contain the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) or the alternative provisions for Articles 9(1) and 7(2), Barbados listed five of them as covered tax agreements under the Multilateral Instrument and made for all, pursuant to Article 16(6)(c)(ii), a notification that they do not contain a provision described in Article 16(4)(b)(ii). Of the five relevant treaty partners, one is not a signatory to the Multilateral Instrument and one did not list their treaty with Barbados as a covered tax agreement. Of the remaining three treaty partners, one made a reservation on the basis of Article 16(5)(c). The remaining two treaty partners are signatories to the Multilateral Instrument, listed their treaty with Barbados as a covered tax agreement and made a notification pursuant to Article 16(6)(c)(ii).

230. Of these two treaty partners, one has already deposited its instrument of ratification of the Multilateral Instrument, following which the Multilateral Instrument has entered into force for the treaty between Barbados and this treaty partner, and therefore has modified this treaty to include the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017). For the remaining treaty, the instrument will, upon entry into force for this treaty, modify it to include the equivalent of this provision.

Other developments

231. Barbados reported that for one of the four treaties that will not be modified by the Multilateral Instrument to include the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017), the relevant treaty partner has informed Barbados that it will withdraw its reservation under the Multilateral Instrument, following which it is expected that the treaty with that treaty partner will be modified by the instrument to include the second sentence of Article 25(2) of the OECD Model Tax Convention (OECD, 2017).

232. For the remaining three treaties, Barbados reported that when the tax treaties that do not contain the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) will not be modified by the Multilateral Instrument, it will strive to update them via bilateral negotiations to be compliant with element D.3. Barbados, however, reported not having in place a specific plan for such negotiations. As one of these

treaties concerns the 1954 treaty between United Kingdom and the treaty partner that continues to be applied to Barbados, such renegotiations are not necessary for this treaty.

Peer input

233. The peer that provided input during stage 2 did not provide input in relation to its tax treaty with Barbados.

Anticipated modifications

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

Conclusion

	Areas for improvement	Recommendations
[D.3]	<p>Six out of 35 tax treaties do not contain a provision that is equivalent to Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) nor both alternative provisions provided for in Article 9(1) and Article 7(2). Of these six treaties:</p> <ul style="list-style-type: none"> Two will be modified by the Multilateral Instrument to include the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017). One is expected to be modified by the Multilateral Instrument to include the equivalent to Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) once the treaty partner has amended its notifications. The remaining three treaties will not be modified by the Multilateral Instrument to include the required provision. With respect these treaties, no actions have been taken nor are any actions planned to be taken. 	<p>As one of the remaining three treaties that does not contain the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) and will not be modified by the Multilateral Instrument is the 1954 treaty between the United Kingdom and the treaty partner that continues to be applied to Barbados, Barbados should ensure that, once it enters into negotiations with this treaty partner, it includes the required provision.</p> <p>For the remaining two treaties that will not be modified by the Multilateral Instrument to include the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017), Barbados should, without further delay, request the inclusion of the required provision via bilateral negotiations.</p>

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>.

Note

1. These four treaties include the CARICOM treaty that Barbados applies to Antigua and Barbuda, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines and Trinidad and Tobago as well as the 1954 treaty between the United Kingdom and Switzerland that Switzerland continues to apply to Barbados.

Summary

	Areas for improvement	Recommendations
Part A: Preventing disputes		
[A.1]	One out of 35 tax treaties does not contain a provision that is equivalent to Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017). This treaty will not be modified by the Multilateral Instrument. With respect to this treaty, no actions have been taken nor are any actions planned to be taken.	As the one treaty that does not contain the equivalent of Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017) and will not be modified by the Multilateral Instrument is the 1954 treaty between the United Kingdom and the treaty partner that continues to be applied to Barbados, Barbados should ensure that, once it enters into negotiations with this treaty partner, it includes the required provision.
[A.2]	-	-
Part B: Availability and access to MAP		
[B.1]	One out of 35 tax treaties does not contain a provision that is equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a), either as it read prior to the adoption of the Action 14 final report or as amended by that report (OECD, 2015b). This treaty will not be modified by the Multilateral Instrument to include the required provision. With respect to this treaty, no actions have been taken nor are any actions planned to be taken.	As the one treaty that does not contain the equivalent of Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a), either as it read prior to the adoption of the Action 14 final report or as amended by that report (OECD, 2015b) and will not be modified by the Multilateral Instrument is the 1954 treaty between the United Kingdom and the treaty partner that continues to be applied to Barbados, Barbados should ensure that, once it enters into negotiations with this treaty partner, it includes the required provision.
[B.2]	None of the 35 treaties 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 partners. 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.	Barbados should without further delay introduce a documented notification and/or consultation 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, Barbados should apply that process in practice for 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]	-	-

	Areas for improvement	Recommendations
[B.7]	<p>Three out of 35 tax treaties do not contain a provision that is equivalent to Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017). Of these three treaties:</p> <ul style="list-style-type: none"> • One has been modified by the Multilateral Instrument to include the required provision. • One is expected to be modified by the Multilateral Instrument to include the required provision. • The remaining treaty will not be modified by the Multilateral Instrument to include the required provision. With respect this treaty, no actions have been taken nor are any actions planned to be taken. 	<p>As the one remaining treaty that does not contain the equivalent of Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017) and will not be modified by the Multilateral Instrument is the 1954 treaty between the United Kingdom and the treaty partner that continues to be applied to Barbados, Barbados should ensure that, once it enters into negotiations with this treaty partner, it includes the required provision.</p>
[B.8]	-	-
[B.9]	-	-
[B.10]	-	-
Part C: Resolution of MAP cases		
[C.1]	<p>Three out of 35 tax treaties do not contain a provision that is equivalent to Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017). Of these three treaties:</p> <ul style="list-style-type: none"> • One is expected to be modified by the Multilateral Instrument to include the required provision. • The remaining two treaties will not be modified by the Multilateral Instrument to include the required provision. With respect these treaties, no actions have been taken nor are any actions planned to be taken. 	<p>As one of the remaining two treaties that does not contain the equivalent of Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017) and will not be modified by the Multilateral Instrument is the 1954 treaty between the United Kingdom and the treaty partner that continues to be applied to Barbados, Barbados should ensure that, once it enters into negotiations with this treaty partner, it includes the required provision.</p> <p>For the remaining treaty that will not be modified by the Multilateral Instrument to include the equivalent of Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017), Barbados should, without further delay, request the inclusion of the required provision via bilateral negotiations.</p>
[C.2]	Matching of MAP statistics was not sought with all of its treaty partners.	Barbados should endeavour to match its MAP statistics with all of its treaty partners.
[C.3]	Although MAP cases were closed within the 24-month average (which is the pursued average for resolving MAP cases received on or after 1 January 2017) and Barbados' MAP inventory remains modest, Barbados has faced some practical issues in monitoring and acting on its MAP cases in a timely manner.	In light of the recent reorganisation of its competent authority, Barbados should monitor whether the resources available for the competent authority function remain adequate in order to resolve its pending MAP inventory and future MAP cases in a timely, efficient and effective manner. In particular, Barbados should monitor whether the staff members in the competent authority have sufficient training to act on and deal with their MAP cases.
[C.4]	-	-
[C.5]	-	-
[C.6]	-	-

	Areas for improvement	Recommendations
Part D: Implementation of MAP agreements		
[D.1]	As will be discussed under element D.3 not all of Barbados' tax treaties contain the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017). Therefore, there is a risk that for those tax treaties that do not contain that provision, not all MAP agreements will be implemented due to time limits in its domestic law.	When, after a MAP case is initiated, the domestic statute of limitation may, in the absence of the second sentence of Article 25(2) of the OECD Model Tax Convention (OECD, 2017) in Barbados' relevant tax treaty, prevent the implementation of a MAP agreement, Barbados should put appropriate procedures in place to ensure that such an agreement is implemented. In addition, where during the MAP process the domestic statute of limitations may expire and may then affect the possibility to implement a MAP agreement, Barbados should for clarity and transparency purposes notify the treaty partner thereof without delay.
[D.2]	-	-
[D.3]	<p>Six out of 35 tax treaties do not contain a provision that is equivalent to Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) nor both alternative provisions provided for in Article 9(1) and Article 7(2). Of these six treaties:</p> <ul style="list-style-type: none"> • Two will be modified by the Multilateral Instrument to include the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017). • One is expected to be modified by the Multilateral Instrument to include the equivalent to Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) once the treaty partner has amended its notifications. • The remaining three treaties will not be modified by the Multilateral Instrument to include the required provision. With respect these treaties, no actions have been taken nor are any actions planned to be taken. 	<p>As one of the remaining three treaties that does not contain the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) and will not be modified by the Multilateral Instrument is the 1954 treaty between the United Kingdom and the treaty partner that continues to be applied to Barbados, Barbados should ensure that, once it enters into negotiations with this treaty partner, it includes the required provision.</p> <p>For the remaining two treaties that will not be modified by the Multilateral Instrument to include the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017), Barbados should, without further delay, request the inclusion of the required provision via bilateral negotiations.</p>

Annex A

Tax treaty network of Barbados

Treaty partner	Column 1		Column 2		Column 3		Column 4		Column 5		Column 6		Column 7		Column 8		Column 9		Column 10		Column 11		
	Y = yes N = signed pending ratification	If N, date of signing	Article 25(1) of the OECD Model Tax Convention ("MTC")	Article 9(2) of the OECD MTC	Anti-abuse	Article 25(2) of the OECD MTC	Article 25(3) of the OECD MTC	Arbitration	B.1	B.1	B.3	B.4	C.1	D.3	A.1	B.7	C.6						
			Inclusion Art. 25(1) first sentence? If yes, submission to either competent authority? (new Art. 25(1), first sentence)	Inclusion Art. 25(1) second sentence? (Note 1) If no, please state reasons	Inclusion Art. 9(2) of the OECD MTC (Note 2) If no, will your CA provide access to MAP in TP cases?	Inclusion provision that MAP Article will not be available in cases where your jurisdiction is of the assessment that there is an abuse of the DTC or of the domestic tax law? If no, will your CA accept a taxpayer's request for MAP in relation to such cases?	Inclusion Art. 25(2) first sentence? (Note 3)	Inclusion Art. 25(2) second sentence? (Note 4) If no, alternative provision in Art. 7 & 9 OECD MTC?	Inclusion Art. 25(3) first sentence? (Note 5)	Inclusion Art. 25(3) second sentence? (Note 6)	Inclusion arbitration provision?												
Antigua and Barbuda	Y	N/A	E = yes, either CAs O = yes, only one CA N = No	Y = yes i = no, no such provision ii = no, different period iii = no, starting point for computing the 3 year period is different iv = no, other reasons	N/A	i = no and such cases will be accepted for MAP ii = no but such cases will not be accepted for MAP	Y = yes N = no	Y = yes i = no, but have Art. 7 equivalent ii = no, but have Art. 9 equivalent iii = no, but have both Art. 7 & 9 equivalent N = no and no equivalent of Art. 7 and 9	Y = yes N = no	Y = yes N = no	Y = yes N = no	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	
Austria	Y	N/A	O	Y	N/A	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Bahrain	Y	N/A	E*	Y	N/A	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N

Treaty partner	Column 2		Column 3		Column 4		Column 5		Column 6		Column 7		Column 8		Column 9		Column 10		Column 11	
	DTC in force?	Article 25(1) of the OECD Model Tax Convention ("MTC")	B.1	B.1	B.3	B.4	C.1	D.3	A.1	B.7	C.6	Arbitration								
Belize	Y	N/A	O	i	N/A	i	i	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Botswana	Y	N/A	O	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Canada	Y	N/A	O	Y*	N/A	i	i	Y	iii	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y***
China (People's Republic of)	Y	N/A	O	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Cuba	Y	N/A	O	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Cyprus (1)	Y	N/A	E*	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Czech Republic	Y	N/A	O*	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Dominica	Y	N/A	O	i	N/A	i	i	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Finland	Y	N/A	E*	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y***
Ghana	N	4/24/2008	O	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Grenada	Y	N/A	O	i	N/A	i	i	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Guyana	Y	N/A	O	i	N/A	i	i	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Iceland	Y	N/A	E*	Y	N/A	Y	i	Y	N*	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Italy	Y	N/A	O	Y	N/A	Y	i	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Jamaica	Y	N/A	O	i	N/A	i	i	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Kenya	N	12/7/2019	O	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Luxembourg	Y	N/A	E*	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y***
Malta	Y	N/A	E*	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y***
Mauritius	Y	N/A	E*	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y***
Mexico	Y	N/A	O*	Y	N/A	Y	i	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Netherlands	Y	N/A	E*	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y**

Treaty partner	Column 2		Column 3		Column 4		Column 5		Column 6		Column 7		Column 8		Column 9		Column 10		Arbitration
	DTC in force?	Article 25(1) of the OECD Model Tax Convention ("MTC")	B.1	B.1	B.3	B.4	C.1	D.3	A.1	B.7	C.6								
Norway	Y	N/A	E*	Y	N/A	i	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Panama	Y	N/A	E*	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Portugal	Y	N/A	O	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y*	Y	Y	Y*	Y***
Qatar	Y	N/A	E*	Y*	N/A	i	i	Y	Y*	Y	Y	Y	Y*	Y	Y	Y	Y	Y	N
Rwanda	N	12/22/2014	O	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Saint Lucia	Y	N/A	O	I	N/A	i	i	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N
San Marino	Y	N/A	O	Y*	N/A	Y	i	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N
Seychelles	Y	N/A	E*	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Singapore	Y	N/A	O	Y	N/A	Y	i	Y*	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y***
Slovak Republic	N	10/28/2015	E*	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Spain	Y	N/A	O	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y***
St. Kitts and Nevis	Y	N/A	O	i	N/A	i	i	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N
St. Vincent and the Grenadines	Y	N/A	O	i	N/A	i	i	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N
Sweden	Y	N/A	E*	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y***
Switzerland	Y	N/A	N	i	N/A	i	i	Y	Y	N	Y	N	N	Y	N	N	N	N	N
Trinidad and Tobago	Y	N/A	O	i	N/A	i	i	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N
United Arab Emirates	Y	N/A	E*	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
United Kingdom	Y	N/A	E*	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y***

Treaty partner	Column 2		Column 3		Column 4		Column 5		Column 6		Column 7		Column 8		Column 9		Column 10		Column 11	
	DTC in force?	Article 25(1) of the OECD Model Tax Convention ("MTC")	Article 25(1) of the OECD MTC	Article 9(2) of the OECD MTC	Anti-abuse	Article 25(2) of the OECD MTC		Article 25(3) of the OECD MTC		Arbitration										
	B.1	B.1	B.3	B.4	C.1	D.3	A.1	B.7	C.6											
United States	Y	N/A	O	O	i	N/A	Y	i	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Venezuela	Y	N/A	O	O	Y	N/A	Y	i	Y	Y	ii	Y	Y	Y	Y	Y	Y	Y	Y	N

Notes: Footnote by Türkiye: 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. Türkiye recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of United Nations, Türkiye 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 Türkiye. 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.
- O**/E*** 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 or has been superseded by the Multilateral Instrument only to the extent that existing treaty provisions are incompatible with the relevant provision of the Multilateral Instrument.
- 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 was not in line with the requirements under this element of the Action 14 Minimum Standard, but the treaty has been 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 2017, 2018, 2019 and 2020 Reporting Periods (1 January 2017 to 31 December 2020) for pre-2017 cases

2017 MAP Statistics													
Category of cases	No. of pre-2017 cases in MAP inventory on 1 January 2017	Number of pre-2017 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-2017 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
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-2017 cases in MAP inventory on 1 January 2018	Number of pre-2017 cases closed during the reporting period by outcome										No. of pre-2017 cases remaining in on MAP inventory on 31 December 2018	Average time taken (in months) for closing pre-2017 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
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-2017 cases in MAP inventory on 1 January 2019	Number of pre-2017 cases closed during the reporting period by outcome								No. of pre-2017 cases remaining in on MAP inventory on 31 December 2019	Average time taken (in months) for closing pre-2017 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 13
		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			
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 pre-2017 cases in MAP inventory on 1 January 2020	Number of pre-2017 cases closed during the reporting period by outcome								No. of pre-2017 cases remaining in on MAP inventory on 31 December 2020	Average time taken (in months) for closing pre-2017 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 13
		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			
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.

Annex C

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

2017 MAP Statistics															
Category of cases	No. of post-2016 cases in MAP inventory on 1 January 2017	No. of post-2016 cases started during the reporting period	Number of post-2016 cases closed during the reporting period by outcome								No. of post-2016 cases remaining in on MAP inventory on 31 December 2017	Average time taken (in months) for closing post-2016 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-2016 cases in MAP inventory on 1 January 2018	No. of post-2016 cases started during the reporting period	Number of post-2016 cases closed during the reporting period by outcome								No. of post-2016 cases remaining in on MAP inventory on 31 December 2018	Average time taken (in months) for closing post-2016 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	2	0	0	0	0	0	0	0	0	0	0	2	2	n.a.
Total	0	2	0	0	0	0	0	0	0	0	0	0	2	2	n.a.

2019 MAP Statistics														
Category of cases	No. of post-2016 cases in MAP inventory on 1 January 2019	No. of post-2016 cases started during the reporting period	Number of post-2016 cases closed during the reporting period by outcome							No. of post-2016 cases remaining in on MAP inventory on 31 December 2019	Average time taken (in months) for closing post-2016 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	2	3	0	0	0	0	0	0	0	0	0	0	5	n.a.
Total	2	3	0	0	0	0	0	0	0	0	0	0	5	n.a.

Note: The number of post-2016 cases for 2019 differs from Barbados' published statistics for 2019 and two new cases were identified in 2020

2020 MAP Statistics														
Category of cases	No. of post-2016 cases in MAP inventory on 1 January 2020	No. of post-2016 cases started during the reporting period	Number of post-2016 cases closed during the reporting period by outcome							No. of post-2016 cases remaining in on MAP inventory on 31 December 2020	Average time taken (in months) for closing post-2016 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	3	0	3	0	0	0	0	0	0	0	0	0	0.46
Others	5	0	0	0	1	0	0	0	0	0	0	0	4	24
Total	5	3	0	3	1	0	0	0	0	0	0	0	4	6.35

Note: The number of post-2016 cases for 2020 differs from Barbados' published statistics for 2020 and two new cases were identified during the peer review process.

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-2017 cases	MAP cases in a competent authority’s inventory that are pending resolution on 31 December 2016
Post-2016 cases	MAP cases that are received by a competent authority from the taxpayer on or after 1 January 2017
Statistics Reporting Period	Period for reporting MAP statistics that started on 1 January 2017 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, Barbados (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 Barbados.



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