

ROOM DOCUMENT #4
Code of Conduct Group (Business Taxation)
12 April 2016
ORIGIN: Commission Services

Standstill and Rollback – patent boxes

1. On 5 October 2015 the OECD published the final reports of the OECD/G20 Base Erosion and Profit Shifting Project, including the final version of the report setting out the nexus approach (“the 2015 Report”).¹ The Group accepted the updated version of the nexus approach in its report to ECOFIN of 23 November 2015.²

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¹ *Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance, Action 5 - 2015 Final Report*, OECD (Paris, 2015).
² Document 14302/15 FISC 159.

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A. Relationship between the nexus approach and the Code criteria

1. On 5 October 2015 the OECD published the final reports of the OECD/G20 Base Erosion and Profit Shifting Project, including the final version of the report setting out the nexus approach (“the 2015 Report”).⁴ The Group accepted the updated version of the nexus approach in its report to ECOFIN of 23 November 2015.⁵ The nexus approach will be used in the assessment of measures which provide a preferential tax treatment for income arising from intellectual property (“IP regimes”).

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⁴ *Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance, Action 5 – 2015 Final Report*, OECD (Paris, 2015).

⁵ Document 14302/15 FISC 159.

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