

19 August 2024

Cross-Border and International Division
OECD/CTPA

Subject: Asia Internet Coalition's (AIC) Public Consultation Comments on the Draft User Guide for the GloBE Information Return XML Schema

Dear Cross-Border and International Division, OECD/CTPA,

The [Asia Internet Coalition \(AIC\)](#) and its members would like to thank the OECD for the opportunity to submit industry comments on the Draft User Guide for the GloBE Information Return XML Schema. We appreciate the OECD's efforts to establish a common XML schema for submission of the GIR. Beyond a common XML schema, we believe the OECD should work with Inclusive Framework countries to develop additional measures to ensure the GIR submission process operates smoothly and efficiently. Please find below detailed comments and recommendations.

1. The established XML schema should be required to be used by both tax authorities and taxpayers.

- Consistency of information is critical for the integrity and efficiency of the global reporting system. If jurisdictions were not required to adopt the established XML schema, taxpayers would need to create multiple versions for each such jurisdiction, greatly increasing compliance costs. In addition, differences between jurisdictions would complicate information exchange between tax authorities, increasing costs for those tax authorities. Moreover, the differences between filings would compromise consistency and create a greater likelihood of disputes between and among taxpayers and tax authorities.
- To minimize these issues, jurisdictions should be required to adopt the established XML schema as a condition to receiving a "Qualified" status for the DMTTs and IIRs.
- In addition to requiring jurisdictions to use the established XML Schema, the formatting of submissions, reporting portals and notification systems should also be required to be consistent among jurisdictions to minimize additional work and improve the efficiency of taxpayers' compliance obligations.

2. The OECD should reconsider the information required as part of the GIR submission.

- Some of the information required as part of the GIR is already being submitted as part of Country-by-Country reporting, requiring duplicative efforts by taxpayers. The OECD should consider reducing information requirements to the extent the information is already being provided through Country-by-Country reporting.
- As more countries begin adopting DMTTs, information required as part of the GIR may become irrelevant. The information reporting requirements with respect to countries which have adopted DMTTs could be reduced and/or eliminated, significantly decreasing compliance costs for taxpayers.

3. A centralized exchange network should be established by the Inclusive Framework through which taxpayers would file the GIR.

- A central filing system would greatly simplify the GIR submission process for both taxpayers and tax authorities as taxpayers would only need to make a single GIR submission while tax authorities would not have to independently develop their own submission infrastructure.
- A centralized network would also enhance the certainty and consistency of GIR submission and help to prevent disputes between tax authorities and taxpayers and between tax authorities.

4. *If a centralized exchange network is not developed, taxpayers should be permitted to identify secondary filing jurisdictions.*

- The jurisdiction of a UPE or Designated Filing Entity may not have exchange of information agreements with every jurisdiction in which they operate. Allowing a taxpayer to file its GIR in one or more secondary jurisdictions which do have exchange agreements would reduce the number of jurisdictions in which a taxpayer must file its GIR, allowing taxpayers to simplify and more efficiently satisfy its compliance obligations.

5. *The XML Schema and reporting portal systems should be fixed well before the date on which GIR submissions must be filed.*

- The GIR submission is a significant new compliance obligation and process. Both taxpayers and tax authorities will need the opportunity to test the reporting system, whether it is centralized or distributed, well in advance of the date submissions start to be filed in order to identify bugs and develop fixes to ensure the system is operating properly.
- By providing sufficient time, taxpayers will be able to allocate their resources efficiently to build their reporting systems. If sufficient time is not provided, there could be delays in implementation which would reduce efficiency and increase costs. In addition, delays would adversely affect the ability of tax authorities to administer their tax reporting and payment systems.

6. *Data security and systems infrastructure of paramount importance.*

- The data provided by taxpayers contains very sensitive information and the systems developed by Inclusive Framework members must ensure that the security of such data is maintained.
- The data required as part of the GIR submissions is significant and tax authorities will need to ensure that they have sufficient systems infrastructure to be able to receive and store that data.

7. *The XML schema can be refined to ensure greater certainty, clarity and efficiency.*

- All inputs into the XML schema must be defined to ensure that submissions are not rejected upon submission or when information is exchanged between jurisdictions, as different countries and languages have special characters. A consistent approach is needed to ensure special characters are recognized by all jurisdictions.
- Consistent notification formats should be developed to allow taxpayers to develop tools to consistently receive and respond to notifications.
- The protocol for timestamps should be clarified as to a reference time zone and use of a 12 or 24 hour clock.
- A system should be developed to address entities with different Tax ID numbers in different jurisdictions to ensure that such entities are not double counted or missed in the reporting process.

- Taxpayers should be able to designate the contact for the message header and clarity should be provided as to the information required for such contacts.
- Providing details on all ownership changes and effective dates of such changes is complex and burdensome for taxpayers who have many constituent entities. We would recommend removing the “OwnershipChange” and “ChangeDate” information to ease these burdens.

We are grateful to the OECD for upholding a transparent, multi-stakeholder approach and further welcome the opportunity to offer our inputs and insights, directly through industry meetings and participating in the official consultations / workshops.

Should you have any questions or need clarification on any of the recommendations, please do not hesitate to contact our Secretariat Mr. Sarthak Luthra at Secretariat@aicasia.org or at +65 8739 1490.

Thank you.

Sincerely,

Jeff Paine



Managing Director
Asia Internet Coalition (AIC)

Asia Internet Coalition (AIC) Member Companies

