

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



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

INCLUSIVE FRAMEWORK ON BEPS: ACTION 14



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Please cite this publication as:

OECD (2022), *Making Dispute Resolution More Effective – MAP Peer Review Report, Greenland (Stage 2): Inclusive Framework on BEPS: Action 14*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris,
<https://doi.org/10.1787/b73a3abe-en>.

ISBN 978-92-64-40926-2 (print)

ISBN 978-92-64-98146-1 (pdf)

OECD/G20 Base Erosion and Profit Shifting Project

ISSN 2313-2604 (print)

ISSN 2313-2612 (online)

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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 BEPS planning strategies that rely on outdated rules or on poorly co-ordinated domestic measures will be rendered ineffective.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.

This report was approved by the Inclusive Framework on 25 August 2022 and prepared for publication by the OECD Secretariat.

Acknowledgements

Making Dispute Resolution More Effective – MAP Peer Review Report, Greenland (Stage 2) has been produced by the Organisation for Economic Co-operation and Development (OECD)'s Centre for Tax Policy and Administration (CTPA) under the auspices of the Forum on Tax Administration (FTA)'s Mutual Agreement Procedure (MAP) Forum of the Committee on Fiscal Affairs. The report was prepared by Ms Félicie Bonnet, Mr Jonathan Fraser, Mr Sriram Govind, and Ms Tamami Matsuka, all part of the MAP Unit, under the supervision of Ms Sandra Knaepen, Head of the MAP Unit, and Mr Achim Pross, Head of the International Co-operation and Tax Administration (ICA) division of the CTPA.

The authors would like to thank colleagues in the OECD for their invaluable comments and practical support in finalising the publication, including Ms Sonia Nicolas and Ms Zoe Wellenkamp of the ICA, in addition to the CTPA Communications team. The authors would also like to thank FTA MAP Forum delegates and their colleagues working in national administrations for their input and comments.

Table of contents

Abbreviations and acronyms	9
Executive summary	11
Reference	12
Introduction	13
Part A. Preventing disputes	17
[A.1] Include Article 25(3), first sentence, of the OECD Model Tax Convention in tax treaties	17
[A.2] Provide roll-back of bilateral APAs in appropriate cases	18
References	19
Part B. Availability and access to MAP	21
[B.1] Include Article 25(1) of the OECD Model Tax Convention in tax treaties	21
[B.2] Allow submission of MAP requests to the competent authority of either treaty partner, or, alternatively, introduce a bilateral consultation or notification process	24
[B.3] Provide access to MAP in transfer pricing cases	25
[B.4] Provide access to MAP in relation to the application of anti-abuse provisions	26
[B.5] Provide access to MAP in cases of audit settlements	28
[B.6] Provide access to MAP if required information is submitted	29
[B.7] Include Article 25(3), second sentence, of the OECD Model Tax Convention in tax treaties ...	30
[B.8] Publish clear and comprehensive MAP guidance	31
[B.9] Make MAP guidance available and easily accessible and publish MAP profile	33
[B.10] Clarify in MAP guidance that audit settlements do not preclude access to MAP	34
References	35
Part C. Resolution of MAP cases	37
[C.1] Include Article 25(2), first sentence, of the OECD Model Tax Convention in tax treaties	37
[C.2] Seek to resolve MAP cases within a 24-month average timeframe	38
[C.3] Provide adequate resources to the MAP function	42
[C.4] Ensure staff in charge of MAP has the authority to resolve cases in accordance with the applicable tax treaty	45
[C.5] Use appropriate performance indicators for the MAP function	46
[C.6] Provide transparency with respect to the position on MAP arbitration	48
References	48

Part D. Implementation of MAP agreements	51
[D.1] Implement all MAP agreements	51
[D.2] Implement all MAP agreements on a timely basis	52
[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)	53
Reference	55
Summary	57
Annex A. Tax treaty network of Greenland	59
Annex B. MAP Statistics Reporting for the 2019 and 2020 Reporting Periods (1 January 2019 to 31 December 2020) for pre-2019 cases	62
Annex C. MAP Statistics Reporting for the 2019 and 2020 Reporting Periods (1 January 2019 to 31 December 2020) for post-2018 cases	63
Glossary	65

Abbreviations and acronyms

APA	Advance Pricing Arrangement
FTA	Forum on Tax Administration
MAP	Mutual Agreement Procedure
OECD	Organisation for Economic Co-operation and Development

Executive summary

Greenland has a small tax treaty network with ten tax treaties. Greenland has limited experience with resolving MAP cases. It has a small MAP inventory, with a small number of new cases submitted each year and one case pending on 31 December 2020, which is one other case. Overall Greenland meets the majority of the elements of the Action 14 Minimum Standard. Where it has deficiencies, Greenland worked to address some of them, which has been monitored in stage 2 of the process. In this respect, Greenland solved some of the identified deficiencies but some new issues were identified in stage 2.

All of Greenland's 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 largely consistent with the requirements of the Action 14 Minimum Standard, except mainly for the fact that one out of Greenland's ten tax treaties neither contains 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, Greenland needs to amend and update one tax treaty. Greenland reported that it intends to update this treaty via bilateral negotiations to be compliant with the requirements under the Action 14 Minimum Standard. In that regard, it reported that the treaty that needs to be modified is under negotiations with the relevant treaty partner.

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

Greenland meets most of 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 2019 not received any MAP request concerning transfer pricing cases, cases where anti-abuse provisions are applied or cases where there has been an audit settlement. Furthermore, Greenland has in place a documented bilateral notification process for those situations in which its competent authority considers the objection raised by taxpayers in a MAP request as not justified. However, Greenland has not yet issued MAP guidance but it submitted its MAP profile.

Concerning the average time needed to close MAP cases, the MAP statistics for Greenland in 2019-20 are as follows:

2019-20	Opening inventory 1/1/2019	Cases started	Cases closed	End inventory 31/12/2020	Average time to close cases (in months)*
Attribution/allocation cases	0	0	0	0	n.a.
Other cases	1	3	3	1	32.64
Total	1	3	3	1	32.64

*The average time taken for resolving MAP cases for post-2018 cases follows the MAP Statistics Reporting Framework. For computing the average time taken for resolving pre-2019 MAP cases, Greenland used as a start date: the date when the MAP request was received, and as the end date: either the date of the closing letter sent to the taxpayer or the date of final closure of the case if no agreement was reached.

The number of cases Greenland closed in the period 2019-20 is exactly the same as the number of all new cases started in those years. Thus, its MAP inventory as on 31 December 2020 is the same as compared to its inventory as on 1 January 2019. During these years, Greenland's competent authority did not close MAP cases on average within a timeframe of 24 months (which is the pursued average for closing MAP cases received on or after 1 January 2018), as the average time necessary was 32.64 months. This only concerns other cases and is due to one pre-2019 case, which was resolved by domestic remedies. In this regard, as Greenland recently created an international office and hired new staff to its competent authority, it should closely monitor whether the addition of resources will be sufficient to ensure a timely, effective and efficient resolution of MAP cases.

Furthermore, Greenland meets most of the other requirements under the Action 14 Minimum Standard in relation to the resolution of MAP cases. Its organisation is adequate and the performance indicators used are appropriate to perform the MAP function. However, Greenland should endeavour matching its MAP statistics with all of its treaty partners. Further, it should ensure that its competent authority operates fully independently from the audit function of the tax authorities to resolve MAP cases in an effective and efficient manner.

Lastly, Greenland does not meet the Action 14 Minimum Standard as regards the implementation of MAP agreements. Greenland does not monitor the implementation of MAP agreements. In addition, Greenland has a domestic statute of limitation for implementation of MAP agreements, 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). Nevertheless, no problems have surfaced regarding the 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 Greenland to resolve tax treaty-related disputes

Greenland has entered into ten tax treaties on income (and/or capital), nine of which are in force.¹ These ten treaties are being applied to an equal number of jurisdictions. All of these treaties provide for a mutual agreement procedure for resolving disputes on the interpretation and application of the provisions of the tax treaty. In addition, six of the ten treaties are limited in scope.

In Greenland, the competent authority function to conduct mutual agreement procedure (“MAP”) is delegated to Greenland’s Tax Agency. The competent authority of Greenland handles MAP cases by using the office of international relations that is a small catch-all section for tasks and cases of international relevance with assistance of personnel in the audit and assessment department who have knowledge and experience.

Greenland intends to issue and publish guidance on the governance and administration of MAP.

Developments in Greenland since 1 January 2020

Developments in relation to the tax treaty network

The stage 1 peer review report of Greenland noted that Greenland signed a treaty with the Cayman Islands, which had not yet entered into force. Greenland reported that this situation remains the same. It further reported that an amending protocol to the existing treaty with the Faroe Islands (2000) has entered into force on 24 February 2020. This protocol amends the MAP provision in that treaty allowing taxpayers to file a MAP request to the competent authorities of either contracting state.

It was also noted in the report that Greenland will strive to update its tax treaties via bilateral negotiations in order to comply with the Action 14 Minimum Standard. In that regard, it reported the treaty that needs to be modified is under negotiation with the relevant treaty partner.

Other developments

Greenland reported that it recruited two full-time employees and created a new international taxation office in the Greenlandic Tax Agency in October 2021, which took over the international assignments, such as the co-ordination and handling of cross border disputes including MAP cases.

Basis for the peer review process

Outline of the peer review process

The peer review process entails an evaluation of Greenland's 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 (if any) and the practical application of that framework. The review process performed is desk-based and conducted through specific questionnaires completed by Greenland, its peers and taxpayers.

The process consists of two stages: a peer review process (stage 1) and a peer monitoring process (stage 2). In stage 1, Greenland's 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 Greenland 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.² 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 Greenland. In this update report, Greenland 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 Greenland 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 concerned a modification or a replacement of an existing treaty. Reference is made to Annex A for the overview of Greenland's tax treaties regarding the mutual agreement procedure.

Timing of the process and input received by peers and taxpayers

Stage 1 of the peer review process for Greenland was launched on 20 December 2019, with the sending of questionnaires to Greenland and its peers. The FTA MAP Forum has approved the stage 1 peer review report of Greenland in September 2020, with the subsequent approval by the BEPS Inclusive Framework on 28 October 2020. On 28 October 2021, Greenland submitted its update report, which initiated stage 2 of the process.

The period for evaluating Greenland's implementation of the Action 14 Minimum Standard ranges from 1 January 2019 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.

One peer, Denmark, provided input during stage 1. It had two MAP cases with Greenland that started on or after 1 January 2019 and represented approximately 67% of post-2018 MAP cases in Greenland's inventory that started in 2019. The peer indicated that it has very good working relations with Greenland's competent authority. During stage 2, the same peer provided input. For this stage, this peer also represented approximately 67% of

post-2018 MAP cases in Greenland’s inventory that started in 2019-20. This peer reported that the update report of Greenland fully reflects the experiences this peer has had with Greenland since 1 January 2020 and there are no additions to the previous input given.

Input by Greenland and co-operation throughout the process

During stage 1, Greenland provided extensive answers in its questionnaire. Greenland 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, Greenland provided the following information:

- MAP profile³
- MAP statistics⁴ according to the MAP Statistics Reporting Framework (see below).

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

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

Overview of MAP caseload in Greenland

The analysis of Greenland’s MAP caseload for stage 1 relates to the period starting on 1 January 2019 and ending on 31 December 2019. For stage 2 the period ranges from 1 January 2020 to 31 December 2020. Both periods are taken into account in this report for analysing the MAP statistics of Greenland.

The analysis of Greenland’s MAP caseload therefore relates to the period starting on 1 January 2019 and ending on 31 December 2020 (“**Statistics Reporting Period**”). According to the statistics provided by Greenland, its MAP caseload during this period was as follows:

2019-20	Opening inventory 1/1/2019	Cases started	Cases closed	End inventory 31/12/2020
Attribution/allocation cases	0	0	0	0
Other cases	1	3	3	1
Total	1	3	3	1

General outline of the peer review report

This report includes an evaluation of Greenland’s implementation of the Action 14 Minimum Standard. The report comprises the following four sections:

- Preventing disputes
- Availability and access to MAP
- Resolution of MAP cases
- 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 implementing of the BEPS Action 14 Minimum Standard to make dispute resolution mechanisms more effective (“**Terms of Reference**”).⁵ Apart from analysing Greenland’s legal framework and its administrative practice, the report also incorporates peer input. Furthermore, the report depicts the changes adopted and plans shared by Greenland 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 has 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 Greenland 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 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 Greenland should continue to act in accordance with a given element of the Action 14 Minimum Standard, even if there is no area for improvement for this specific element.

Notes

1. The tax treaties Greenland has entered into are available at: <https://int.aka.gl/en/International-Agreements/DTC>. The treaty that is signed but has not yet entered into force is with the Cayman Islands. For that reason the newly negotiated treaty is taken into account in the treaty analysis. Reference is made to Annex A for the overview of Greenland’s tax treaties. Furthermore, the ten tax treaties Greenland has entered into include treaties with Bermuda, British Virgin Islands, Cayman Islands, Guernsey, Isle of Man, Jersey. With these six jurisdictions, Greenland has entered into separate treaties that have a limited scope of application, one of which relates to transfer pricing and one to certain categories of income of individuals. In this situation, the number of such treaties is regarded as one for the purpose of this peer review report.
2. Available at: <https://www.oecd.org/tax/beps/making-dispute-resolution-more-effective-map-peer-review-report-greenland-stage-1-clf5577f-en.htm>.
3. Available at <https://www.oecd.org/tax/dispute/Greenland-Dispute-Resolution-Profile.pdf>.
4. The MAP statistics of Greenland are included in Annexes B and C of this report.
5. 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 Greenland's tax treaties

2. All of Greenland's ten tax treaties 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

3. No specific peer input was provided in relation to element A.1 during stage 1.

Recent developments

Bilateral modifications

4. There are no recent developments as to new treaties or amendments to existing treaties being signed in relation to element A.1.

Peer input

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

Anticipated modifications

6. Greenland 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]	-	-

[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.

7. 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.² 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.

Greenland’s APA programme

8. Greenland does not have an APA programme, by which there is no possibility for providing roll-back of bilateral APAs to previous years.

Recent developments

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

Practical application of roll-back of bilateral APAs

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

10. Greenland reported in the period 1 January 2019-31 December 2019 it received no requests for bilateral APAs, which is logical given that Greenland does not have such a programme in place.

11. No specific peer input was provided in relation to element A.2.

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

12. Greenland reported that since 1 January 2020 it has also not received any bilateral APA requests, which is logical given that Greenland still does not have such a programme in place.

13. The peer that provided input during stage 2 stated that the update report provided by Greenland fully reflects their experience with Greenland since 1 January 2020 and there are no additions to the previous input given.

Anticipated modifications

14. Greenland did not indicate that it anticipates 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 ten treaties include the treaty signed with the Cayman Islands that is not yet in force.
2. 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.

15. 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 Greenland's tax treaties

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

16. One of Greenland's ten tax treaties contains 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. In addition, none of the remaining nine 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 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.

17. The nine treaties 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, for the following reasons all of those nine treaties are considered to be in line with this part of element B.1:

- The relevant tax treaty does not contain a non-discrimination provision and only applies to residents of one of the states (six treaties).
- The non-discrimination provision of the relevant tax treaty only covers 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 (three treaties).

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

18. Out of Greenland's ten tax treaties, nine 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. The remaining tax treaty does not contain a filing period for MAP requests.

19. Greenland reported that there are no specific rules regarding the filing period of MAP requests in the legislation when there is no filing period in the tax treaty, and therefore it would be regulated by the provisions for reassessment under Section 47 and 48 in the Act on Tax Administration that stipulates that a filing period is five years after the end of the relevant fiscal year.

Peer input

20. For the treaty identified that does not contain the equivalent of Article 25(1), second sentence, of the OECD Model Tax Convention (OECD, 2017), the relevant peer reported during stage 1 that it is expected to adopt a protocol in which it is intended to include the changes needed to meet the Minimum Standard.

Practical application

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

21. Greenland's MAP profile states that the taxpayers are allowed to request for MAP assistance in cases where the issue under dispute has already been decided via the judicial and administrative remedies provided by the domestic law. Greenland, however, reported that the competent authority cannot deviate if a case has already been decided by the National Tax Council which is independent from Greenland's Tax Agency or the courts. It also reported that an enquiry requesting a reopening by a taxpayer can be made to the Tax Council (Section 73 in the Act on Administration of Taxes) or the courts (Section 528 or 532 in the Greenlandic Act on Administration of Justice) before a MAP agreement has been reached. Greenland further reported that if the Tax council reopens the case and does not agree with the expected outcome of the MAP, it would be up to the competent authority to re-evaluate the case.

22. Given the above practice, it is considered that the competent authority would need to close the MAP case with the outcome of "no agreement", if the Tax Council reopens the case but does not agree with the position of Greenland's competent authority. Such practice does not allow taxpayers to make a MAP request irrespective of the domestic remedies, and therefore it is considered not in line with this part of element B.1. In this regard,

Greenland reported that it has not received MAP requests in cases that have already been decided by the National Tax Council.

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

23. Greenland reported that in the absence of filing period in the treaty the domestic filing period of five years would apply.

Recent developments

Bilateral modifications

24. There are no recent developments as to new treaties or amendments to existing treaties being signed in relation to element B.1.

Peer input

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

Anticipated modifications

26. For the treaty that does not contain a filing period for MAP requests, Greenland reported that negotiations are pending with the relevant treaty partner to make the treaty compliant with the Action 14 Minimum Standard. In addition, Greenland reported that 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.

27. Greenland indicated that it intends to ensure that taxpayers that meet the requirements of Article 25(1) of the OECD Model Tax Convention (OECD, 2017) can access the MAP and that they will seek to resolve all MAP cases that were accepted into the MAP process.

Conclusion

	Areas for improvement	Recommendations
	There is a risk that access to MAP is denied in eligible cases where the issue under dispute has already been decided via the administrative remedies provided by Greenland's domestic law.	Greenland should follow its stated intention to ensure that taxpayers that meet the requirements of Article 25(1) of the OECD Model Tax Convention (OECD, 2017) can access the MAP.
[B.1]	For the tax treaty that does not include a time limit for submission of a MAP request, applicable rules under domestic legislation may lead to a filing period of less than three years as from the first notification of the action resulting in taxation not in accordance with the provisions of a tax treaty. With respect to this treaty, negotiations on an amending protocol to include such time limit are pending.	For the treaty that does not contain a filing period of MAP requests, Greenland should continue negotiations with the treaty partner to include the required provision via bilateral negotiations. Greenland should ensure that where its domestic time limits apply for filing of MAP requests, in the absence of a provision hereon in one of its tax treaties, such time limits do not prevent taxpayers from having access to MAP if a request thereto is made within a period of three years as from the first notification of the action resulting in taxation not in accordance with the provisions of a tax treaty.

[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).

28. 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

29. As discussed under element B.1, out of Greenland's ten treaties, one currently contains 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.

30. Greenland reported that it has introduced a bilateral consultation or notification process that allows the other competent authority concerned to provide its views on the case when Greenland's competent authority considers the objection raised in the MAP request not to be justified.

Recent developments

31. Greenland reported that it has introduced a documented bilateral consultation or notification process for those situations where its competent authority would consider the objection raised in a MAP request as not being justified, and the staff in charge of MAP cases has been informed of the process.

Practical application

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

32. Greenland reported that in the period 1 January 2019-31 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.

33. The peer that provided input indicated not being aware of any cases for which Greenland's competent authority denied access to MAP. This can be explained by the fact that no such cases occurred in this period.

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

34. Greenland reported that since 1 January 2020 its competent authority has also for none of the MAP requests it received decided that the objection raised by taxpayers in such request was not justified.

35. The peer that provided input during stage 2 stated that the update report provided by Greenland fully reflects their experience with Greenland since 1 January 2020 and there are no additions to the previous input given.

Anticipated modifications

36. Greenland did not indicate that it anticipates any modifications in relation to element B.2.

Conclusion

	Areas for improvement	Recommendations
[B.2]	-	-

[B.3] Provide access to MAP in transfer pricing cases

Jurisdictions should provide access to MAP in transfer pricing cases.

37. 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

38. Out of Greenland's ten tax treaties, three 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, seven do not contain such equivalent.

39. Access to MAP should be provided in transfer pricing cases regardless of whether the equivalent of Article 9(2) is contained in Greenland's 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, Greenland 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.

Recent developments

Bilateral modifications

40. There are no recent developments as to new treaties or amendments to existing treaties being signed in relation to element B.3.

Application of legal and administrative framework in practice

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

41. Greenland reported that in the period 1 January 2019-31 December 2019, it has not received MAP requests concerning a transfer pricing case and therefore has not denied access to MAP in transfer pricing cases.

42. The peer that provided input indicated not being aware of a denial of access to MAP by Greenland in this period on the basis that the case concerned was a transfer pricing case.

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

43. Greenland reported that since 1 January 2020, it has also not received MAP requests concerning a transfer pricing case and therefore has not denied access to MAP in transfer pricing cases.

44. The peer that provided input during stage 2 stated that the update report provided by Greenland fully reflects their experience with Greenland since 1 January 2020 and there are no additions to the previous input given.

Anticipated modifications

45. Greenland 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) of the OECD Model Tax Convention (OECD, 2017) 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.

46. 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

47. None of Greenland's ten 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 Greenland 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.

Recent developments

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

Practical application

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

49. Greenland reported that in the period 1 January 2019-31 December 2019 it has not received any MAP requests for cases concerning the application of anti-abuse provisions and therefore has not denied access to MAP in any 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.

50. The peer that provided input indicated not being aware of cases that have been denied access to MAP in Greenland in this period in relation to the application of treaty and/or domestic anti-abuse provisions.

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

51. Greenland reported that since 1 January 2020 it has also not received any MAP requests for cases concerning the application of anti-abuse provisions and therefore has not denied access to MAP in any 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.

52. The peer that provided input during stage 2 stated that the update report provided by Greenland fully reflects their experience with Greenland since 1 January 2020 and there are no additions to the previous input given.

Anticipated modifications

53. Greenland did not indicate that it anticipates 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.

54. 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

55. Under Greenland's domestic law it is not possible for taxpayers and the tax administration to enter into an audit settlement.

Administrative or statutory dispute settlement/resolution process

56. Greenland reported 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

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

Practical application

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

58. Greenland reported that in the period 1 January 2019-31 December 2019 it has not received any MAP requests for cases where the issue presented by the taxpayer had already been resolved through an audit settlement between the taxpayer and the tax administration, since audit settlements are not available in Greenland.

59. The peer that provided input indicated not being aware of a denial of access to MAP in Greenland in this period in cases where there was an audit settlement between the taxpayer and the tax administration, which can be explained by the fact that such settlements are not possible in Greenland.

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

60. Greenland reported that since 1 January 2020 it has also not received any MAP requests for cases where the issue presented by the taxpayer had already been resolved through an audit settlement between the taxpayer and the tax administration, since audit settlements are still not available in Greenland.

61. The peer that provided input during stage 2 stated that the update report provided by Greenland fully reflects their experience with Greenland since 1 January 2020 and there are no additions to the previous input given.

Anticipated modifications

62. Greenland did not indicate that it anticipates 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.

63. 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

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

65. Greenland reported that a taxpayer is in general given a four-week period from the day when Greenland's Tax Authority request more information, and the deadline may be extended upon request. It further reported that if no additional information is provided, Greenland's Tax Authority will assess the case on the basis of the available and existing information and make a decision. The taxpayer is informed about the decision and can file a complaint to the Tax Council within three months.

Recent developments

66. There are no recent developments with respect to element B.6.

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

67. Greenland reported that it provides access to MAP in all cases where taxpayers have complied with the information or documentation requirements. It further reported that in the period 1 January 2019-31 December 2019 it has not denied access to MAP for cases where the taxpayer had provided the required information or documentation.

68. The peer that provided input indicated not being aware of a limitation of access to MAP by Greenland in this period in situations where taxpayers complied with information and documentation requirements.

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

69. Greenland reported that since 1 January 2020 it has not received any MAP requests and therefore has also not denied access to MAP for cases where the taxpayer had provided the required information or documentation.

70. The peer that provided input during stage 2 stated that the update report provided by Greenland fully reflects their experience with Greenland since 1 January 2020 and there are no additions to the previous input given.

Anticipated modifications

71. Greenland indicated that it intends to include procedures and timelines for requesting additional information from taxpayers in the MAP guidance.

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.

72. 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 Greenland's tax treaties

73. Out of Greenland's ten tax treaties, four 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. The remaining six tax treaties do not contain a provision

that is based on or the equivalent of Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017).

74. For those remaining six treaties this can be clarified by the fact that they have limited scope of application. This concerns tax treaties that only apply to a certain category of income or a certain category of taxpayers, whereby the structure and articles of the OECD Model Tax Convention (OECD, 2017) are not followed. As these treaties were intentionally negotiated with a limited scope, the inclusion of Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017) would contradict the object and purpose of those treaties and such inclusion would also be inappropriate, as it would allow competent authorities the possibility to consult in cases that have intentionally been excluded from the scope of a tax treaty. For this reason, therefore, there is a justification not to contain Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017) for those six treaties with a limited scope of application.

75. The peer provided no specific input during stage 1 in relation to element B.7.

Recent developments

Bilateral modifications

76. There are no recent developments as to new treaties or amendments to existing treaties being signed in relation to element B.7.

Peer input

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

Anticipated modifications

78. Greenland reported that 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, unless the treaties concerned are limited in scope, such that there is justification for them not to contain Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017).

Conclusion

	Areas for improvement	Recommendations
[B.7]	-	-

[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.

79. 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.

Greenland's MAP guidance

80. Since Greenland has not yet published MAP guidance, the information that the FTA MAP Forum agreed should be included in such guidance is not available. This 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 taxpayers should submit its MAP request.¹

Information and documentation to be included in a MAP request

81. 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 a request for MAP assistance.² This concerns:

- 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.

82. Due to the fact that Greenland has not issued MAP guidance, there is also no guidance on any of the above in Greenland.

Recent developments

83. There are no recent developments with respect to element B.8.

Anticipated modifications

84. Greenland indicated that it intends to issue and publish its MAP guidance in the near future, and that such guidance would *inter alia* address the following items:

- contact information of the competent authority
- the manner and form in which the taxpayer should submit its MAP request
- the specific information and documentation that should be included in a MAP request

- how the MAP functions in terms of timing and the role of the competent authorities
- information on availability of arbitration
- relationship with domestic available remedies
- access to MAP in transfer pricing cases, audit settlements, anti-abuse provisions, multilateral disputes, bona fide foreign-initiated self-adjustments and for multi-year resolution of cases
- implementation of MAP agreements
- rights and role of taxpayers in the process
- suspension of tax collection
- interest charges, refunds and penalties.

Conclusion

	Areas for improvement	Recommendations
[B.8]	There is no published MAP guidance.	Greenland should, without further delay, introduce and publish guidance on access to and use of the MAP, and in particular include 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 and information that should be included in such a request.

[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.

85. 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.³

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

86. As discussed under element B.8, Greenland has not yet published MAP guidance.

MAP profile

87. The MAP profile of Greenland is published on the website of the OECD and was last updated in March 2019. This MAP profile is complete and with some detailed information.

Recent developments

88. There are no recent developments with respect to element B.9.

Anticipated modifications

89. Greenland indicated that it intends to introduce and publish its MAP guidance in Greenlandic, Danish and English on the website of Greenland's Tax Agency.

Conclusion

	Areas for improvement	Recommendations
[B.9]	The MAP guidance is not publicly available.	Greenland should make its MAP guidance publicly available and easily accessible once it has been introduced. Furthermore, the MAP profile should be updated once Greenland's MAP guidance has been introduced.

[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.

90. 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

91. As previously discussed under B.5, it is not possible that taxpayers and the tax administration enter into audit settlements in Greenland.

92. A peer raised no issues with respect to the availability of audit settlements.

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

93. As previously mentioned under element B.5, Greenland 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 Greenland's forthcoming MAP guidance.

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

94. As Greenland does not have an internal administrative or statutory dispute settlement/resolution process in place, there is no need for notifying treaty partners of such process.

Recent developments

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

Anticipated modifications

96. Greenland did not indicate that it anticipates 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. Available at: www.oecd.org/tax/beps/beps-action-14-on-more-effective-dispute-resolution-peer-review-documents.pdf.
2. Available at: www.oecd.org/tax/beps/beps-action-14-on-more-effective-dispute-resolution-peer-review-documents.pdf.
3. 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.

97. 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 (OECD, 2017), 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 Greenland's tax treaties

98. All of Greenland's ten tax treaties 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.

99. The peer provided no specific input in relation to element C.1 during stage 1.

Recent developments

Bilateral modifications

100. There are no recent developments as to new treaties or amendments to existing treaties being signed in relation to element C.1.

Peer input

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

Anticipated modifications

102. Greenland 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]	-	-

[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).

103. 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

104. 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 (“**post-2015 cases**”). Also, for MAP requests submitted prior to that date (“**pre-2016 cases**”), the FTA MAP Forum agreed to report MAP statistics on the basis of an agreed template. Greenland joined in the Inclusive Framework in 2019. For this reason the statistics referred to are pre-2019 cases for cases that were pending on 31 December 2018, and post-2018 cases for cases that started on or after 1 January 2019. Greenland provided its MAP statistics for 2019-20 pursuant to the MAP Statistics Reporting Framework within the given deadline. The statistics discussed below include both pre-2019 and post-2018 cases and they are attached to this report as Annex B and Annex C respectively,¹ and should be considered jointly for an understanding of the MAP caseload of Greenland.

105. With respect to post-2018 cases, Greenland reported having reached out to one of its two MAP partners with a view to have their MAP statistics matching and found that there was a date discrepancy due to an entry mistake but in the end it could match its post-2018 MAP statistics with the partner. For the other MAP partner Greenland reported that it did not reach out since it was not aware of the MAP case with this partner, which started and was closed in 2019, at the time of reporting its MAP statistics. Greenland however clarified that it found the case in its archives and confirmed the case with the partner after the submission of its 2020 MAP statistics.

Monitoring of MAP statistics

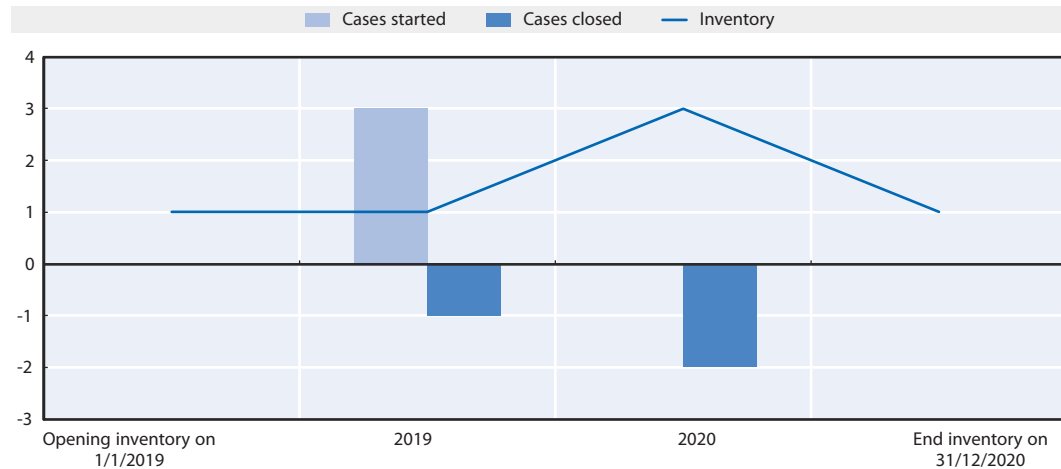
106. Greenland does not have a system in place with its treaty partners that communicates, monitors and manages the MAP caseload. In that regard, Greenland reported that it has a statistics keeping tool to make sure that the relevant staff have access to create, register and report information relating to MAP cases.

Analysis of Greenland's MAP caseload

107. The analysis of Greenland's MAP caseload relates to the period starting on 1 January 2019 and ending on 31 December 2020.²

108. Figure C.1 shows Greenland's MAP caseload over the Statistics Reporting Period.

Figure C.1. Evolution of Greenland's MAP caseload

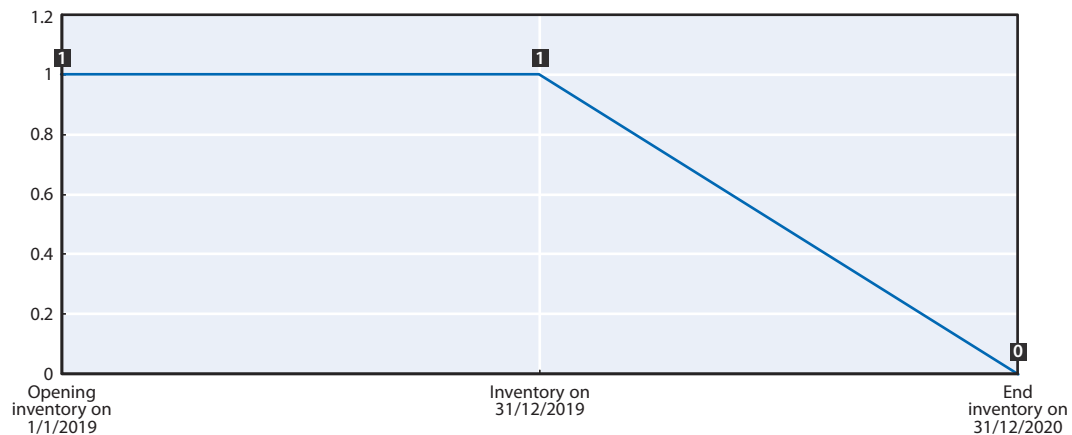


109. At the beginning of the Statistics Reporting Period, Greenland had one pending other MAP case. During the period, three cases started, all of which concerned other cases, and three cases were closed. Therefore, at the end of the period, Greenland had one other MAP cases in its inventory, which is the same number of cases in its opening inventory.

Pre-2019 cases

110. Figure C.2 shows the evolution of Greenland's pre-2019 MAP cases over the Statistics Reporting Period.

Figure C.2. Evolution of Greenland's MAP inventory – Pre-2019 cases

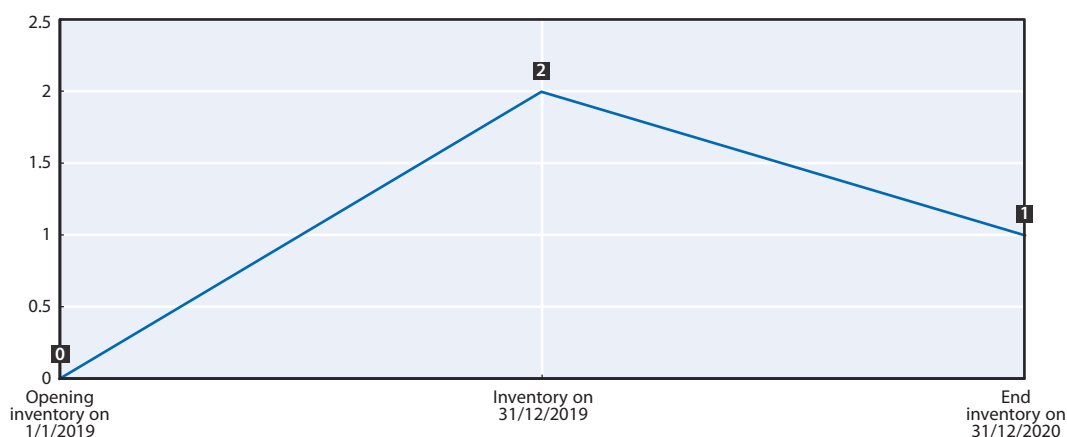


111. At the beginning of the Statistics Reporting Period, Greenland had one pre-2019 MAP other case. The case was closed in 2020 and therefore Greenland had no pre-2019 cases at the end of the Statistics Reporting Period.

Post-2018 cases

112. Figure C.3 shows the evolution of Greenland's post-2018 MAP cases over the Statistics Reporting Period.

Figure C.3. Evolution of Greenland's MAP inventory – Post-2018 cases



113. Three cases started during the Statistics Reporting Period, all of which concerned other cases. At the end of this period the total number of post-2018 cases in the inventory was one other case. Conclusively, Greenland closed two post-2018 other cases during the Statistics Reporting Period. The total number of closed cases represents 67% of the total number of post-2018 cases that started during the Statistics Reporting Period.

114. The number of post-2018 cases closed as compared to the number of post-2018 cases started during the Statistics Reporting Period is shown in the table below.

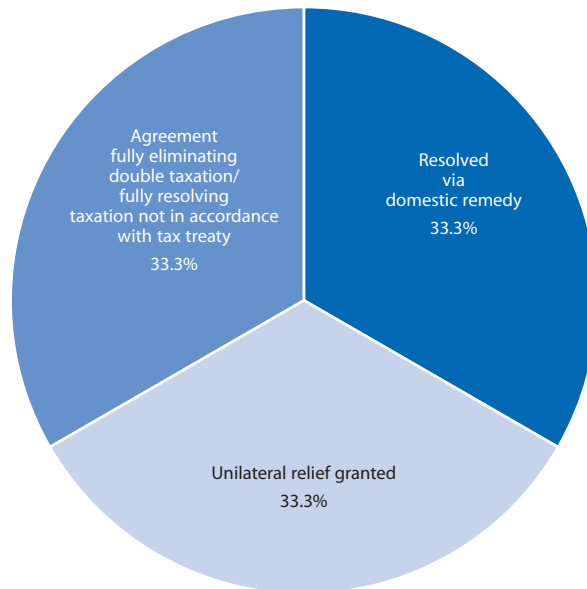
	% of cases closed compared to cases started in 2019	% of cases closed compared to cases started in 2020	Cumulative percentage of cases closed compared to cases started over the two years (2019-20)
Attribution/allocation cases	(no case started)	(no case started)	(no case started)
Other cases	33%	(no case started)	67%

Overview of cases closed during the Statistics Reporting Period

Reported outcomes

115. During the Statistics Reporting Period, Greenland closed three other MAP cases for which the outcomes shown in Figure C.4 were reported.

Figure C.4. Cases closed in 2019-20 (Three cases)



116. Figure C.4 shows that during the Statistics Reporting Period, one out of three cases was closed through an agreement that fully eliminated double taxation or fully resolved taxation not in accordance with the tax treaty. The reported outcomes for the three cases are:

- resolved via domestic remedy (33%)
- unilateral relief granted (33%)
- agreement fully eliminating double taxation/fully resolving taxation not in accordance with tax treaty (33%)

Average timeframe needed to resolve MAP cases

All cases closed during the Statistics Reporting Period

117. The average time needed to close three MAP cases during the Statistics Reporting Period was 32.64 months.

Pre-2019 cases

118. For pre-2019 cases Greenland reported that it needed 88.00 months to close one other case. For the purpose of computing the average time needed to resolve pre-2019 cases, Greenland reported that it uses the following dates:

- *Start date*: the date when the MAP request was received.
- *End date*: either the date of the closing letter sent to the taxpayer or the date of final closure of the case if no agreement was reached.

Post-2018 cases

119. For post-2018 cases Greenland reported that on average it needed 4.97 months to close two other cases.

Peer input

120. The peer that provided input during stage 1 reported that it has very good working relations with Greenland's competent authority, noting that Greenland's competent authority makes time planning for the MAP case handling, and that their communication is very good both with its competent authority and with the taxpayer.

Recent developments

121. The stage 1 peer review report concluded under element C.2 that since Greenland closed no cases during the period under review, it was not possible to evaluate whether Greenland's competent authority seeks to resolve MAP cases within an average time frame of 24 months. With respect to this conclusion, Greenland reported in the course of its stage 2 peer review that it closed one post-2018 case during the period of stage 1 within the pursued average of 24 month.

122. From the statistics discussed above, it follows that Greenland has in the period 2019-20 not closed its MAP cases within the pursued average of 24 months. For these years, the number of post-2018 cases closed as compared to the cases that started in these years was 67%, while its end inventory was the same as its opening inventory. Element C.3 will further consider these numbers in light of the adequacy of resources.

123. The peer that provided input in stage 1 stated in stage 2 that the update report provided by Greenland fully reflects their experience with Greenland since 1 January 2020 and there are no additions to the previous input given.

Anticipated modifications

124. Greenland did not indicate that it anticipates any modifications in relation to element C.2.

Conclusion

	Areas for improvement	Recommendations
[C.2]	The matching of MAP statistics was not sought with all of the treaty partners.	Greenland should endeavour matching 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.

125. 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 Greenland's competent authority

126. Under Greenland's tax treaties, the competent authority function is assigned to the Minister of Finance or his authorised representative. This has been delegated to Greenland's Tax Agency.

127. Greenland reported that in practice the competent authority function is performed by a newly created international office in the Greenlandic Tax Agency. The competent authority of Greenland currently employs two staff members who handle both attribution/

allocation and other MAP cases. In addition to handling MAP cases, these employees are also responsible for other tasks in the international sphere. As regards experiences of these two employees, Greenland reported that both have a background in law and accounting and that one has a previous career in a wide variety of tax matters while the other has experiences in transfer pricing and tax information exchange.

128. Greenland further reported that the competent authority can draw resources from the specialist sections within Greenland's Tax Agency, but also from Danish and other Nordic colleagues with whom it has a long standing and close co-operation.

129. Concerning the process to handle MAP cases, Greenland reported that the officer who receives a MAP request will forward it to the International Office, which will analyse whether the request is valid and whether a unilateral solution is possible. If the request is acceptable and such unilateral solution is not possible, the bilateral phase of the MAP process is initiated.

Monitoring mechanism

130. Greenland reported it monitors the caseload and work assignments relating MAP cases to check whether the available resources for the MAP function are adequate.

Recent development

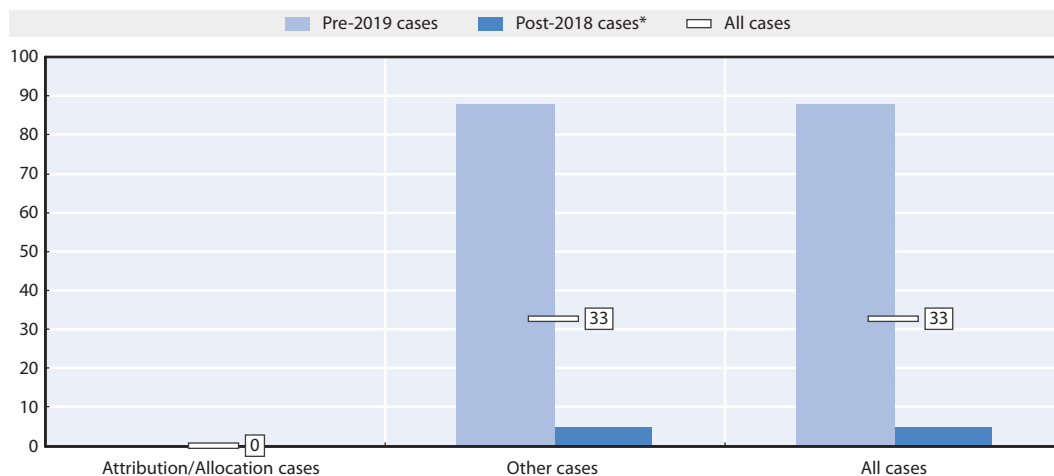
131. Greenland reported that it newly created an international office in the Greenlandic Tax Agency and recruited two full-time employees as of 1 October 2021. Greenland also reported that these employees deal with MAP cases among other assignments in the international tax sphere of Greenland.

Practical application

MAP statistics

132. As discussed under element C.2 Greenland has not closed its MAP cases during the Statistics Reporting Period within the pursued 24-month average. This can be illustrated by Figure C.5.

Figure C.5. Average time (in months) to close cases in 2019-20



*Note that these post-2018 cases only concern cases started and closed during 2019-20.

133. Based on these figures, it follows that on average it took Greenland 32.64 months to close MAP cases, which is above the pursued average of 24 months and only concerns other cases.

134. The stage 1 peer review report of Greenland concluded that Greenland should continue to monitor whether it has adequate resources in place to ensure that MAP cases are resolved in a timely, efficient and effective manner, since it closed no MAP cases during the period under review and therefore there were no MAP statistics available to analyse the pursued 24 months average. In this regard, Greenland reported in the course of its stage 2 peer review that one post-2018 other case started and was closed within 5.29 months in the period of stage 1.

135. For stage 2, the 2020 MAP statistics are also taken into account. The average time to close MAP cases for this year is:

	2020
Attribution/Allocation cases	n.a.
Other cases	46.32
All cases	46.32

136. The 2020 statistics of Greenland show that the average completion time of MAP cases significantly increased from 5.29 months to 46.32 months, which only concerns other cases.

137. However – as analysed in element C.2 – the end inventory of Greenland is the same as the opening inventory. This can be shown as follows:

	Opening inventory on 1/1/2019	Cases started	Cases closed	End inventory on 31/12/2020	Increase in %
Attribution/allocation cases	0	0	0	0	(no cases in start inventory)
Other cases	1	3	3	1	0%
Total	1	3	3	1	0%

Clarifications by Greenland

138. During stage 2, Greenland reported that it was not able to close MAP cases within the pursued average of 24 months as it needed 88.00 months to close one pre-2019 case. In that regard, Greenland clarified that the MAP case filed before the other competent authority was placed on hold pending the outcome of judicial proceedings in Greenland and that although the final verdict was given in December 2016, the taxpayer formally withdrew the MAP case from the other competent authority in 2020.

Peer input

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

139. The peer that provided input reported that it has very good working relations with Greenland's competent authority, noting that Greenland's competent authority makes time planning for the MAP case handling, and that their communication is very good both with its competent authority and with the taxpayer.

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

140. The peer that provided input during stage 2 stated that the update report provided by Greenland fully reflects their experience with Greenland since 1 January 2020 and there are no additions to the previous input given.

Anticipated modifications

141. Greenland did not indicate that it anticipates any modifications in relation to element C.3.

Conclusion

	Areas for improvement	Recommendations
[C.3]	MAP cases were resolved in 32.64 months on average, which is above the 24-month average (which is the pursued average for resolving MAP cases received on or after 1 January 2019). This only concerns other cases and is due to one pre-2019 case, which was resolved by domestic remedies.	As Greenland recently created an international office and hired new staff to its competent authority, it should closely monitor whether the addition of resources will be sufficient to ensure a timely, effective and efficient resolution of 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.

142. 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

143. Greenland reported that the International Office in charge of MAP is a different branch from the department where the personnel in charge of tax audit and assessment belong to. Greenland, however, reported that while it generally aims to make sure that the case handler of the assessment is not the same as the person who will be part of the decision making process in the MAP case, it cannot be excluded that there might be overlaps in some cases as Greenland is a very small jurisdiction with a small tax administration and limited professional skills. Therefore, it is not considered that staff in charge of MAP in practices operates independently and has the authority to resolve MAP cases without being dependent on the approval/direction of the tax administration personnel directly involved in the adjustment.

144. On the other hand, Greenland reported that the process for negotiating MAP agreements is not influenced by policy considerations that Greenland would like to see reflected in future amendments to the treaty.

Recent developments

145. Greenland reported that while it created the international office and recruited two employees in October 2021, the office is still under development including the personnel and therefore it cannot be guaranteed for now that the personnel directly involved in the adjustment at issue does not have any influence in the decision making process of MAP cases.

Practical application

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

146. The peer that provided input during stage 1 provided no specific input in relation to element C.4.

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

147. The peer that provided input during stage 2 stated that the update report provided by Greenland fully reflects their experience with Greenland since 1 January 2020 and there are no additions to the previous input given.

Anticipated modifications

148. Greenland indicated that with the development of the international office, there would be a possibility in the future of ensuring that the personnel directly involved in the adjustment at issue does not have any influence in the decision making process of MAP cases.

Conclusion

	Areas for improvement	Recommendations
[C.4]	The personnel directly involved in the adjustment at issue may be part of the decision making process of the MAP case, which bears the risk that staff in charge of MAP cannot handle and resolve MAP cases absent any approval/direction by such personnel.	Greenland should ensure that the personnel directly involved in the adjustment at issue does not have any influence in the decision making process of MAP cases, and ensure that staff in charge of MAP can enter into MAP agreements and authorise such agreements without being dependent on such personnel.

[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.

149. 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 Greenland

150. Greenland reported that there are no performance indicators set for the MAP function as well as for staff of Greenland’s Tax Agency.

151. The Action 14 final report (OECD, 2015) includes examples of performance indicators that are considered appropriate. These indicators are shown below in bullet form:

- 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).

152. Further to the above, Greenland 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

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

Practical application

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

154. The peer that provided input during stage 1 provided no specific input in relation to element C.5.

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

155. The peer that provided input during stage 2 stated that the update report provided by Greenland fully reflects their experience with Greenland since 1 January 2020 and there are no additions to the previous input given.

Anticipated modifications

156. Greenland indicated that it will make sure the performance will live up to the international standards.

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.

157. 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

158. Greenland’s MAP profile clearly states that its treaty policy allows to include arbitration in its treaties, noting it needs further examination if there are legal limitations in its domestic law to include MAP arbitration in its treaties.

Recent developments

159. There are no recent developments with respect to element C.6.

Practical application

160. Greenland has not incorporated an arbitration clause in any of its ten tax treaties as a final stage to the MAP.

Anticipated modifications

161. Greenland did not indicate that it anticipates 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. For post-2018 cases, if the number of MAP cases in Greenland’s 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, Greenland reports its MAP caseload on a jurisdiction-by-jurisdiction basis. This rule applies for each type of cases (attribution/allocation cases and other cases).
2. Greenland’s 2019 MAP statistics were corrected in the course of its peer review and deviate from the published MAP statistics for 2019. See further explanations in Annex B and Annex C.

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.

162. 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

163. Greenland reported that the general Greenland's Statute of Limitations is stipulated in the Act No. 274 of 22th December 1908. The Act states a normal 20 year statute of limitations and with a special statute of limitations of five years for certain claims such as taxes. If a taxpayer formally and in writing acknowledges the existence of the claim, the normal 20 year statute is in force. The statute of limitation is the same for upward and downward adjustments.

164. It also reported that section 47 and 48 of the Act on Tax Administration stipulates the reassessment of a tax assessment. The tax agency or the taxpayer can do or request a new tax assessment until the 31st of October in the fifth year after the end of the relevant fiscal year if new documentation or information has come into existence, or if the parties were unable to present it beforehand. The assessment has to be done by the 31st of January in the sixth year after the end of the relevant fiscal year. The new documentation or information must be presented within six months from it coming into existence, or being able to present it.

165. Greenland further reported that according to section 114 (1) of the Act on Income Tax, the national statute of limitation can be waived in MAP if the relevant tax treaty contains the equivalent of article 25 (2) second sentence, while if the relevant tax treaty does not contain such equivalent a MAP agreement will be implemented according to the statute of limitation under domestic legislation. In that regard, Greenland indicated that it will notify the treaty partner where the domestic statute of limitations may affect the possibility to implement a MAP agreement.

166. Furthermore, Greenland reported that on the process for implementing MAP agreements the competent authority will inform the taxpayer of the result of the agreement and the taxpayer has four weeks to respond, noting that taxpayer agreement is not a prerequisite for implementation.

Recent developments

167. There are no recent developments with respect to element D.1.

Practical application

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

168. Greenland reported that in the period 1 January 2019-31 December 2019 one MAP agreement reached needed to be implemented by Greenland and it was implemented.

169. The peer that provided input reported that it was not aware of any MAP agreement reached in the period 1 January 2019-31 December 2019 that was not implemented by Greenland.

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

170. Greenland reported that since 1 January 2020 its competent authority did not enter into any MAP agreements that required implementation by Greenland.

171. The peer that provided input during stage 2 stated that the update report provided by Greenland fully reflects their experience with Greenland since 1 January 2020 and there are no additions to the previous input given.

Anticipated modifications

172. Greenland indicated that intends to put appropriate procedures in place to ensure that all MAP agreements are implemented.

Conclusion

	Areas for improvement	Recommendations
[D.1]	As will be discussed under element D.3 not all of Greenland's 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 a Greenland's relevant tax treaty, prevent the implementation of a MAP agreement, Greenland 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, Greenland 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.

173. 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

174. Greenland reported that there is no specific timeframe for implementing mutual agreements, but the competent authority will inform the taxpayer the result of the agreement and the taxpayer has four weeks to respond, noting that it is not a prerequisite for implementation whether the taxpayers consents or not to the agreement.

Recent developments

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

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

176. As discussed under element D.1, Greenland reported that in the period 1 January 2019-31 December 2019 one MAP agreement reached needed to be implemented by Greenland and it was implemented in a timely manner.

177. The peer that provided input reported that it was not aware of any MAP agreement reached in the period 1 January 2019-31 December 2019 that was not implemented by Greenland.

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

178. As described under element D.1, since 1 January 2020 Greenland did not enter into any MAP agreements that required implementation by Greenland.

179. The peer that provided input during stage 2 stated that the update report provided by Greenland fully reflects their experience with Greenland since 1 January 2020 and there are no additions to the previous input given.

Anticipated modifications

180. Greenland did not indicate that it anticipates 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.

181. 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 (OECD, 2017) 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 Greenland's tax treaties

182. As discussed under element D.1, Greenland's domestic legislation includes a statute of limitations of five years for implementing MAP agreements, unless overridden by tax treaties.

183. Out of Greenland's ten tax treaties, nine 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. Furthermore, the remaining treaty does not contain such equivalent nor the alternative provisions.

184. For the treaty identified that does not contain the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017), or both alternatives, the relevant peer reported during stage 1 that it is expected to adopt a protocol in which it is intended to include the changes needed to meet the Minimum Standard.

Recent developments

Bilateral modifications

185. There are no recent developments as to new treaties or amendments to existing treaties being signed in relation to element D.3.

Peer input

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

Anticipated modifications

187. For the treaty that does not contain a provision equivalent to Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017), or both alternative provisions in Articles 9(1) and 7(2), Greenland reported that negotiations are pending with the relevant treaty partner to make the treaty compliant with the Action 14 Minimum Standard.

188. In addition, Greenland reported it will seek to include Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) or both alternatives in all of its future tax treaties.

Conclusion

	Areas for improvement	Recommendations
[D.3]	One out of ten tax treaties contains neither 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). With respect to this treaty, negotiations on an amending protocol to include such equivalent are pending.	For the treaty that does not contain the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) or both alternative provisions, Greenland should continue negotiations with the treaty partner to include the required provision via bilateral negotiations or be willing to accept the inclusion of both alternative provisions.

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>.

Summary

	Areas for improvement	Recommendations
Part A: Preventing disputes		
[A.1]	-	-
[A.2]	-	-
Part B: Availability and access to MAP		
	There is a risk that access to MAP is denied in eligible cases where the issue under dispute has already been decided via the administrative remedies provided by Greenland's domestic law.	Greenland should follow its stated intention to ensure that taxpayers that meet the requirements of Article 25(1) of the OECD Model Tax Convention (OECD, 2017) can access the MAP.
[B.1]	For the tax treaty that does not include a time limit for submission of a MAP request, applicable rules under domestic legislation may lead to a filing period of less than three years as from the first notification of the action resulting in taxation not in accordance with the provisions of a tax treaty. With respect to this treaty, negotiations on an amending protocol to include such time limit are pending.	For the treaty that does not contain a filing period of MAP requests, Greenland should continue negotiations with the treaty partner to include the required provision via bilateral negotiations. Greenland should ensure that where its domestic time limits apply for filing of MAP requests, in the absence of a provision hereon in one of its tax treaties, such time limits do not prevent taxpayers from having access to MAP if a request thereto is made within a period of three years as from the first notification of the action resulting in taxation not in accordance with the provisions of a tax treaty.
[B.2]	-	-
[B.3]	-	-
[B.4]	-	-
[B.5]	-	-
[B.6]	-	-
[B.7]	-	-
[B.8]	There is no published MAP guidance.	Greenland should, without further delay, introduce and publish guidance on access to and use of the MAP, and in particular include 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 and information that should be included in such a request.
[B.9]	The MAP guidance is not publicly available.	Greenland should make its MAP guidance publicly available and easily accessible once it has been introduced. Furthermore, the MAP profile should be updated once Greenland's MAP guidance has been introduced.
[B.10]	-	-

	Areas for improvement	Recommendations
Part C: Resolution of MAP cases		
[C.1]	-	-
[C.2]	The matching of MAP statistics was not sought with all of the treaty partners.	Greenland should endeavour matching its MAP statistics with all of its treaty partners.
[C.3]	MAP cases were resolved in 32.64 months on average, which is above the 24-month average (which is the pursued average for resolving MAP cases received on or after 1 January 2019). This only concerns other cases and is due to one pre-2019 case, which was resolved by domestic remedies.	As Greenland recently created an international office and hired new staff to its competent authority, it should closely monitor whether the addition of resources will be sufficient to ensure a timely, effective and efficient resolution of MAP cases.
[C.4]	The personnel directly involved in the adjustment at issue may be part of the decision making process of the MAP case, which bears the risk that staff in charge of MAP cannot handle and resolve MAP cases absent any approval/direction by such personnel.	Greenland should ensure that the personnel directly involved in the adjustment at issue does not have any influence in the decision making process of MAP cases, and ensure that staff in charge of MAP can enter into MAP agreements and authorise such agreements without being dependent on such personnel.
[C.5]	-	-
[C.6]	-	-
Part D: Implementation of MAP agreements		
[D.1]	As will be discussed under element D.3 not all of Greenland's 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 a Greenland's relevant tax treaty, prevent the implementation of a MAP agreement, Greenland 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, Greenland should for clarity and transparency purposes notify the treaty partner thereof without delay.
[D.2]	-	-
[D.3]	One out of ten tax treaties contains neither 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). With respect to this treaty, negotiations on an amending protocol to include such equivalent are pending.	For the treaty that does not contain the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) or both alternative provisions, Greenland should continue negotiations with the treaty partner to include the required provision via bilateral negotiations or be willing to accept the inclusion of both alternative provisions.

Treaty partner	Column 2		Column 3		Column 4		Column 5		Column 6		Column 7		Column 8		Column 9		Column 10		Column 11	
	Article 25(1) of the OECD Model Tax Convention ("MTC")	B.1	B.1	Article 9(2) of the OECD MTC	B.3	B.4	Article 25(2) of the OECD MTC	C.1	D.3	A.1	B.7	C.6	Arbitration							
Faroe Islands	Y	N/A	E	Y	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Guernsey	Y	N/A	O	Y	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Iceland	Y	N/A	O	Y	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Isle of Man	Y	N/A	O	Y	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Jersey	Y	N/A	O	Y	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Norway	Y	N/A	O	Y	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

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.
- 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*/II*/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 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 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 2019 and 2020 Reporting Periods (1 January 2019 to 31 December 2020) for pre-2019 cases

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

2020 MAP Statistics													
Category of cases	No. of pre-2019 cases in MAP inventory on 1 January 2020	Number of pre-2019 cases closed during the reporting period by outcome										No. of pre-2019 cases remaining in on MAP inventory on 31 December 2020	Average time taken (in months) for closing pre-2019 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	1	0	0	0	0	1	0	0	0	0	0	0	88.00
Total	1	0	0	0	0	1	0	0	0	0	0	0	88.00

Annex C

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

2019 MAP Statistics																								
Category of cases	No. of post-2018 cases in MAP inventory on 1 January 2019	No. of post-2018 cases started during the reporting period	Number of post-2018 cases closed during the reporting period by outcome										No. of post-2018 cases remaining in on MAP inventory on 31 December 2019	Average time taken (in months) for closing post-2018 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 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13
Attribution/Allocation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.a.
Others	0	3	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	5.29
Total	0	3	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	5.29

Note: The numbers of other cases are different from those in Greenland's published MAP statistics owing to correction of errors.

2020 MAP Statistics																								
Category of cases	No. of post-2018 cases in MAP inventory on 1 January 2020	No. of post-2018 cases started during the reporting period	Number of post-2018 cases closed during the reporting period by outcome										No. of post-2018 cases remaining in on MAP inventory on 31 December 2020	Average time taken (in months) for closing post-2018 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 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13
Attribution/Allocation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.a.
Others	2	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4.64
Total	2	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4.64

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
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-2019 cases	MAP cases in a competent authority’s inventory that are pending resolution on 31 December 2018
Post-2018 cases	MAP cases that are received by a competent authority from the taxpayer on or after 1 January 2019
Statistics Reporting Period	Period for reporting MAP statistics that started on 1 January 2019 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

