



# APA & MAP Country Guide 2019 – Ethiopia

CONNECTING THE DOTS OF INTERNATIONAL TAX CONTROVERSY



# Ethiopia

## APA Program

KEY FEATURES	
<b>Competent authority</b>	Ministry of Revenues (Tax Authority)
<b>Relevant provisions</b>	Article 12 of Directive Issued to Provide Rules on Transfer Pricing 2015
<b>Types of APAs available</b>	Unilateral and Bilateral APAs are available
<b>Acceptance criteria</b>	No specific guidance.
<b>Key timing requests, deadlines</b>	No specific guidance
<b>APA term limits</b>	There is a five-year maximum term for an APA.
<b>Filing fee</b>	No specific guidance.
<b>Rollback availability</b>	No specific guidance.
<b>Collateral issues</b>	No specific guidance.

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## PRE-FILING REQUIREMENTS

<b>Overview</b>	No specific guidance.
<b>Anonymous pre-filing availability</b>	No specific guidance.

## APPLICATION REQUIREMENTS

<b>Content of application</b>	<p>The Application for APA must contain the following:</p> <ul style="list-style-type: none"> <li>• Taxpayer's type of business;</li> <li>• the relevant controlled transaction to be subject of the APA;</li> <li>• a draft APA agreement, with scope and proposed term limit;</li> <li>• comparable transactions and transfer pricing methodology considered most suitable for the covered transaction(s);</li> <li>• the relevant foreign jurisdictions to the APA; and</li> <li>• any other information requested by the Tax Authority</li> </ul>
<b>Language</b>	Amharic, English
<b>SME provisions</b>	The Transfer Pricing Directives not applicable to SMEs.

## OTHER PROCEDURAL CONSIDERATIONS

<b>General</b>	No special procedures yet provided.
<b>Monitoring &amp; compliance</b>	The Tax Authority may monitor compliance with the APA. In the case of inaccuracy or fraud, the APA may be revoked at the Tax Authority's discretion.
<b>Renewal procedure</b>	The renewal of an APA is subject to negotiation.

## MAP Program

### KEY FEATURES

<b>Competent authority</b>	Ministry of Finance
<b>Relevant provisions</b>	Typically Articles 24 of Ethiopia's effective DTTs.
<b>Acceptance criteria</b>	Applicability of the relevant provisions of the DTT to the Taxpayer involved and their circumstances.
<b>Key timing requests, deadlines</b>	Typically within three years from the first notification of tax assessment or tax liability. However, time limits may vary, and the relevant DTT should be consulted for the applicable time limit.

### APPLICATION REQUIREMENTS

<b>Content of application</b>	No specific guidance.
<b>Language</b>	Typically in English, but may also be submitted in Amharic.

### OTHER PROCEDURAL CONSIDERATIONS

<b>Interaction with domestic proceedings</b>	Remedies available in domestic legislation are no bar to the application for MAP.
<b>Arbitration</b>	Some DTTs contain the possibility for arbitration where MAP fails to yield a result within a certain frame of time.

### STATISTICS

<b>APA</b>	No specific guidance.
<b>MAP</b>	No specific guidance.

## Double Taxation Treaty Network

The following treaties include MAP provisions which are the basis for bilateral and multilateral APA negotiations:

China <sup>(IV)</sup>	Italy	Seychelles
Cyprus	Korea (Rep.) <sup>(IV)</sup>	Singapore <sup>(IV)</sup>
Czech Republic	Kuwait	Slovak Republic
Egypt	Netherlands <sup>(I), (IV)</sup>	South Africa
France	Poland	Tunisia
India <sup>(IV)</sup>	Portugal <sup>(IV), (VI)</sup>	Turkey
Ireland	Romania	United Kingdom <sup>(IV)</sup>
Israel	Saudi Arabia	

### NOTES

- I denotes treaties with MAP arbitration provisions.
- II denotes treaties with the USSR that remain applicable until a separate tax treaty is concluded.
- III denotes treaties between the countries' representative office in Taipei and the Taipei Economic and Cultural Office in the relevant country.
- IV denotes treaties that became effective within the last five years.
- V denotes treaties that are awaiting ratification.
- VI denotes MAP provisions identical to para 3, art 25 of the OECD Model Convention with respect to Taxes on Income and on Capital.
- VII arbitration is to be conducted under the statutes of the ECJ.
- VIII arbitration is to be conducted under the statutes of the ICJ.

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