

**IOTA**Intra-European Organisation  
of Tax Administrations

# BACKGROUND NOTE

## IOTA Case Study Workshop “Tackling BEPS hybrid mismatch structures through the application of anti-abuse rules (GAAR, PPT or the anti-hybrid mismatch rules from the ATAD)”

7-8 May 2025  
Budapest, Hungary

### BACKGROUND

The European Anti-Tax Avoidance Directives (ATAD) were introduced to address aggressive tax planning structures, particularly targeting hybrid mismatches. These rules, which came into effect in phases beginning in 2019, have significantly reshaped the tax strategies of multinational corporations. Hybrid mismatches occur when differences in the tax treatment of cross-border structures between jurisdictions lead to tax advantages, such as double non-taxation or double deductions. The complexity of these rules necessitates a solid understanding of both domestic tax laws and those of other countries that contribute to hybrid outcomes.

This Case Study Workshop will focus on case studies of hybrid structures, such as hybrid financing arrangements, in various jurisdictions. The discussion will also explore the measures taken by tax authorities, particularly through ATAD's anti-hybrid provisions, as well as other anti-abuse measures like challenging withholding tax exemptions.

### OBJECTIVES

The primary objective of this Case Study Workshop is to enhance participants' understanding of how multinationals, in light of the OECD BEPS project and the EU's ATAD, may still exploit hybrid legal structures or arrangements despite the introduction of anti-hybrid mismatch rules.

The Case Study Workshop will delve into the legal instruments tax authorities may use to challenge hybrid mismatch outcomes, such as double non-taxation, double deduction, or deduction/non-inclusion.

Specific focus will be placed on key areas, including the deductibility of expenses for corporate income tax purposes, the impact of hybrid mismatches on tax losses carried forward, on withholding taxes, and the eligibility of (deducted) dividends for exemptions under the Parent-Subsidiary Directive.

By examining concrete case studies, participants will have the opportunity to exchange insights and experiences from different jurisdictions. This exchange will increase participants' practical understanding of hybrid mismatches and provide insights into commonly used legal structures and foreign tax regimes that may lead to hybrid mismatch outcomes.



## EXPECTED OUTCOMES

Participants will leave the Case Study Workshop with a deeper understanding of:

- Frequently used schemes and foreign tax regimes that could result in hybrid mismatch outcomes.
- How to identify potential hybrid mismatch structures in cross-border scenarios.
- The most effective legal grounds and approaches that tax authorities can use to counter these mismatches.

In addition, the Case Study Workshop will serve as an excellent networking opportunity, fostering informal connections between experts in the field for ongoing knowledge exchange. Given that detecting hybrid mismatch outcomes often requires a thorough understanding of tax laws across multiple jurisdictions, this Case Study Workshop will be a key platform for cross-border technical collaboration among tax professionals and authorities.

## METHODOLOGIES

The Case Study Workshop will be very practical. Its focus will be presentations of a series of selected case studies that illustrate working methods, challenges, and best practices in the approach of member tax administrations on this topic.

These presentations will be combined with the opportunity for the participants to work together on highlighted issues of the case and discuss approaches, benefits, opportunities, and possible difficulties to each individual case, providing all participants to share their views and opinions on the case.

The groups will ultimately bring their ideas and suggestions into the plenary sessions where the wider group can debate the various suggested approaches.

## TARGET AUDIENCE

The delegates attending this Case Study Workshop should be tax officials from an IOTA member tax administration dealing with international taxation and more specifically with tackling/auditing/analysing aggressive tax planning structures, particularly targeting hybrid mismatches.

## REQUIRED INPUT

It is a requirement that each tax administration submits a Case Study from the work experience of the participant(s) as a condition of their participation. Ideally, the participants are expected to be the case owners in their home administration, enabling them to answer all case-related questions.

The topics for the proposed **Case Study** should be related to the expected outcomes mentioned above.

A number of these Case Studies will be selected for use in the group work sessions during the Workshop. **Those delegates whose case studies are selected will be required to present their cases and act as a resource and facilitator during the session when their case studies are being discussed, answering any additional questions that are asked by the other participants.**

To facilitate the discussions and the group work sessions, the **submitted Case Study needs to be sufficiently described** using a specialised online template (*Case Study - Facts and Questions*) so that participants can follow and understand the issues involved:

- Describe the case highlighting the issues and the challenges encountered while dealing with the case. Please provide all the necessary background information so the participants can understand the case and the issues;
- A brief presentation of the case in which hybrid mismatches occurred, including an explanation of how the hybrid mismatch structure was identified, the resulting outcomes of the mismatch, and the legal grounds and strategies employed to address them.
- Questions or issues relating to the case addressed for group discussion;

Moreover, the case study owner should explain the proposed solution on a separate second online template (*Case Study – Proposed Solution*).

Please note that each case study presentation (including the plenary Q&A session), will be approximately 30 minutes, and then a group discussion session will follow for another 90 minutes. Subsequently, a 30-minute reporting back session in the plenary will be held, as well as the presentation of the adopted position by the case study owner. Further details will be available in the updated agenda after the shortlisting of submitted cases is completed.

Please note that **all case studies should be made anonymous unless it is made public**, to ensure the confidentiality of taxpayers' data.

Please make sure that your Case Study is submitted by completing the online templates ([Facts and Questions](#) and [Proposed Solution](#)) at the latest by 14 March 2025.