

# OECD Public Consultation

## Attribution of Profits to Permanent Establishments

# Deviation between Significant People Functions and Risk Control Functions

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# Public Discussion Draft

## Para. 17

“While there may be functions that would be considered both significant people functions for the attribution of risk for the purposes of the AOA and risk control functions for the purposes of Article 9, the conclusion cannot be drawn that these two concepts are aligned or can be used interchangeably for purposes of Article 7 and Article 9”

SPF for the attribution of  
risks

vs.

Risk control functions

# SPF vs. Risk Control Functions

## Deviating concepts?

### SPF for the attribution of risks

Require active decision-making with regard to:

- (i) the acceptance and/or
- (ii) the management (subsequent to the transfer)

of the risks

### Risk control functions

The capability to:

- (i) make decisions to take on, lay off, or decline a risk-bearing opportunity, together with the actual performance of that decision-making function
- (ii) make decisions on whether and how to respond to the risks associated with the opportunity, together with the actual performance of that decision-making function
- (iii) mitigate risk, that is the capability to take measures that affect risk outcomes, together with the actual performance of such risk mitigation

Risk management functions

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