

The Base Erosion Profit Shifting Project and the 2030 Sustainable Development Agenda

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Topics

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**Good Governance in
tax matters and BEPS**

Tax and Development



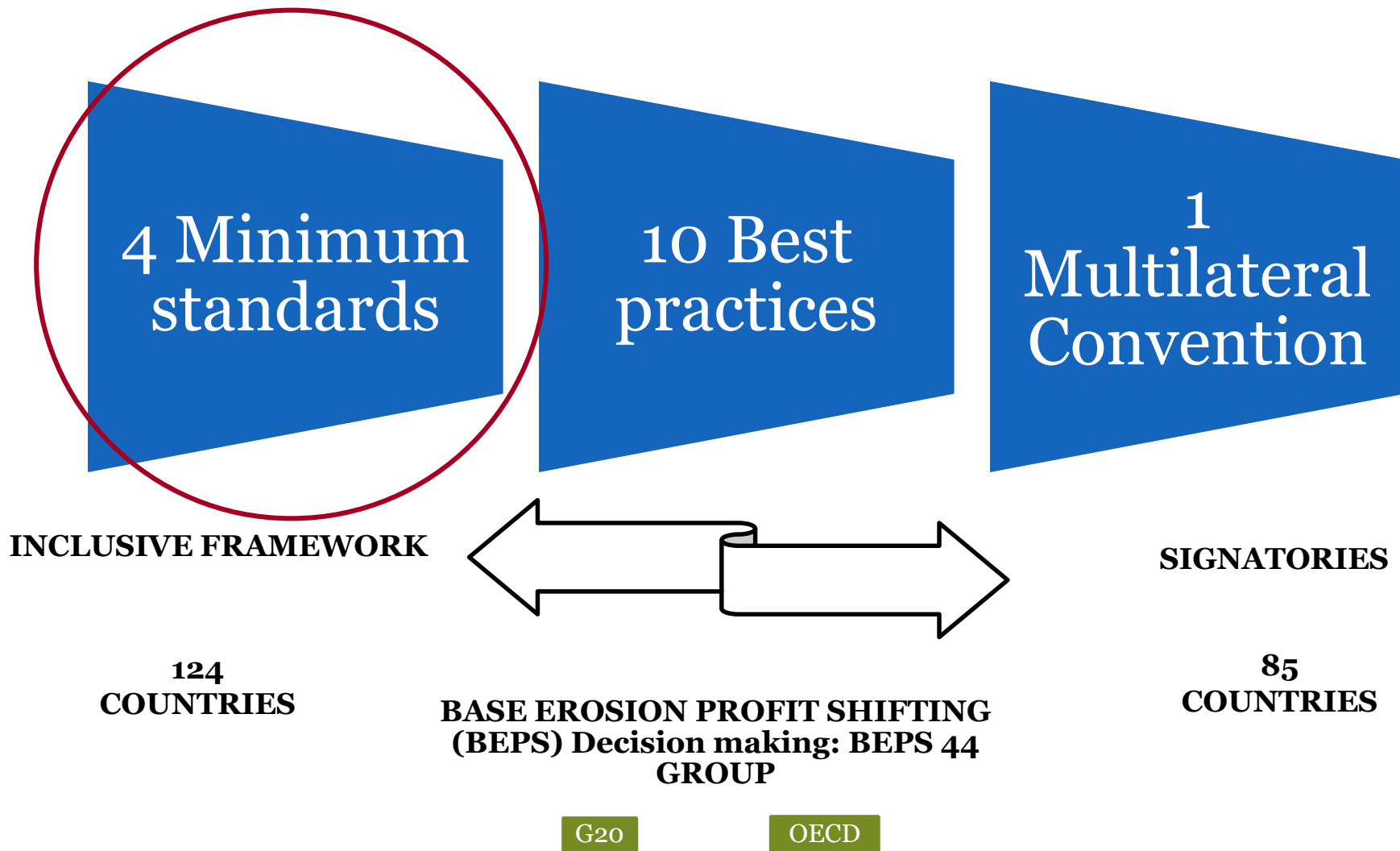
A New Model of Global Governance in International Tax Law Making

- Research Project awarded Starting Grant by the European Research Council

The ERC Starting and Consolidator Grants are part of the main ERC frontier research grants 2019 funded by the European Union's Horizon 2020 Framework Programme for Research and Innovation. The ERC's main frontier research grants aim to empower individual researchers and provide the best settings to foster their creativity. Scientific excellence is the sole criterion of evaluation.

- Period February 2018- January 2023
- Team
 - Principal Investigator Irma Johanna Mosquera Valderrama
 - PhDs researchers Adrian Grant and Frederik Heitmüller
 - Postdoctoral researcher
- Host Institution: Institute of Tax Law and Economics, Leiden University, the Netherlands

TAX GOVERNANCE – OECD and G20



TAX GOVERNANCE: EU AND THIRD COUNTRIES

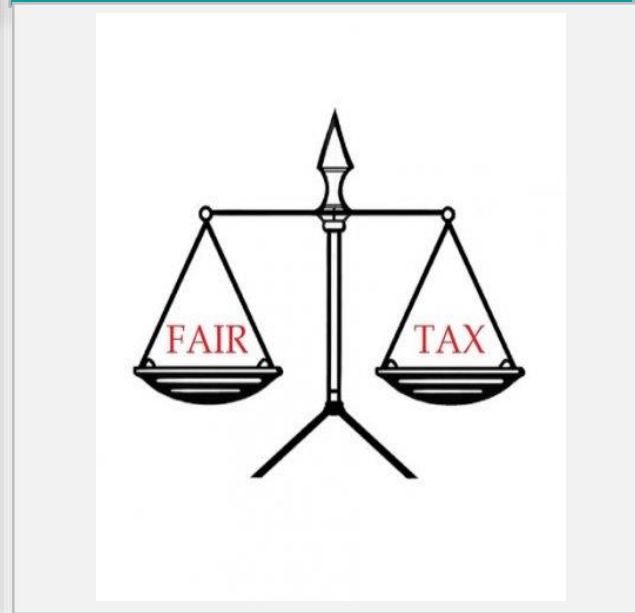
Anti-Tax Avoidance Directives



State Aid Investigations



Fair Tax Competition



RESEARCH QUESTION

Under what conditions can the OECD-G20 and the EU models of global tax governance be feasible and legitimate for both developed and developing countries?

Research objectives

- To investigate the transplant of the 4 minimum standards
- To investigate the conditions under which the OECD can set standards in the current model of global tax governance
- To investigate the legitimacy of the EU initiatives with respect to EU and third (non-EU) countries

Good governance in tax matters and BEPS 2016

Criteria for the establishment of the EU list of non-cooperative jurisdictions for tax purposes: Transparency, Fair Taxation, Implementation of anti-BEPS measures

- Initial criterion: for the jurisdiction to **commit** by the end of 2017, to the agreed OECD anti-BEPS minimum standards and their consistent implementation.
- Future criterion (to be applicable once the reviews by the Inclusive Framework of the agreed minimum standards are completed) for the jurisdiction **to receive a positive assessment** for the effective implementation of the agreed OECD anti-BEPS minimum standards.

Annex to the ECOFIN Council Conclusions of 8 Nov. 2016, 14166/16, FISC 187, ECOFIN 1014, at 7.
<http://data.consilium.europa.eu/doc/document/ST-14166-2016-INIT/en/pdf>

Good governance in tax matters and BEPS 2018

The Parties recognise and commit themselves to implement the principles of good governance in the tax area, including the global standards on transparency and exchange of information, fair taxation, and the minimum standards against Base Erosion and Profit Shifting (BEPS).

The Parties will promote good governance in tax matters, improve international cooperation in the tax area and facilitate the collection of legitimate tax revenues.

26 April 2018, ECOFIN Council 8644/18 FISC 180

Tax and development

Taxation linked to good governance?

EU as a major political and economic player internationally:
To support implementation of international standards (exchange of information and BEPS) smooth and timely in the single market and internationally

Taxation linked to development?

To facilitate the collection of tax revenues (DRM)

Communication from the Commission to the European Parliament and the Council on an External Strategy for Effective Taxation COM/2016/024 final at 5

To assess how BEPS contributes to achieve the 2030 Sustainable Development Agenda?

Tax and development

- Were the Sustainable Development Goals (SDGs) and the interests of developing countries to attract investment considered throughout the BEPS Process?
- How the implementation of BEPS will contribute to achieve the SDGs?
- What issues of international taxation, beyond BEPS, should be addressed to fulfill developing countries' need to achieve the 2030 Agenda for Sustainable Development?
- Is the approach to technical assistance holistic and inclusive? How this approach relates to Medium Term Revenue Strategies. How to strengthen the cooperation between countries and donors?

EUROPEAN UNION

EU leadership

Fair and efficient
corporate taxation

Better-tailored
partnerships



**New model of
Governance**



Further reading and workshop

- Mosquera Valderrama I.J., Lesage, D., Lips & W. (2018), Tax and Development: The Link between International Taxation, The Base Erosion Profit Shifting Project and The 2030 Sustainable Development Agenda, no. W-2018/3. Bruges, Belgium: UNU Institute on Comparative Regional Integration Studies (CRIS). Available at <http://cris.unu.edu/sites/cris.unu.edu/files/W-2018-4.pdf>
- Workshop on Tax and Development: The Link between International Taxation, the Base Erosion Profit Shifting Project and the 2030 Sustainable Development Agenda at United Nations University CRIS <http://cris.unu.edu/workshop-tax-and-development-link-between-international-taxation-base-erosion-profit-shifting>
- Mosquera Valderrama I.J., The EU standard of good governance in tax matters for third (non-EU) countries. Intertax Forthcoming 2019.

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- **Leiden University, Institute of Tax Law and Economics**
- **GLOBTAXGOV project receives funding from the EU H2020 Research & Innovation Programme and European Research Council**
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