

TAX AND DEVELOPMENT: THE OECD'S TRANSPARENCY AND BEPS INITIATIVES AND THE 2030 AGENDA

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GOALS OF THE PAPER

- Investigating the link between advances in international tax cooperation and the SDG's spending gap
- Assessing the adequacy of those initiatives for developing countries needs
- Exploring the multidisciplinary of tax and development research from different academic perspectives (law and IPE)

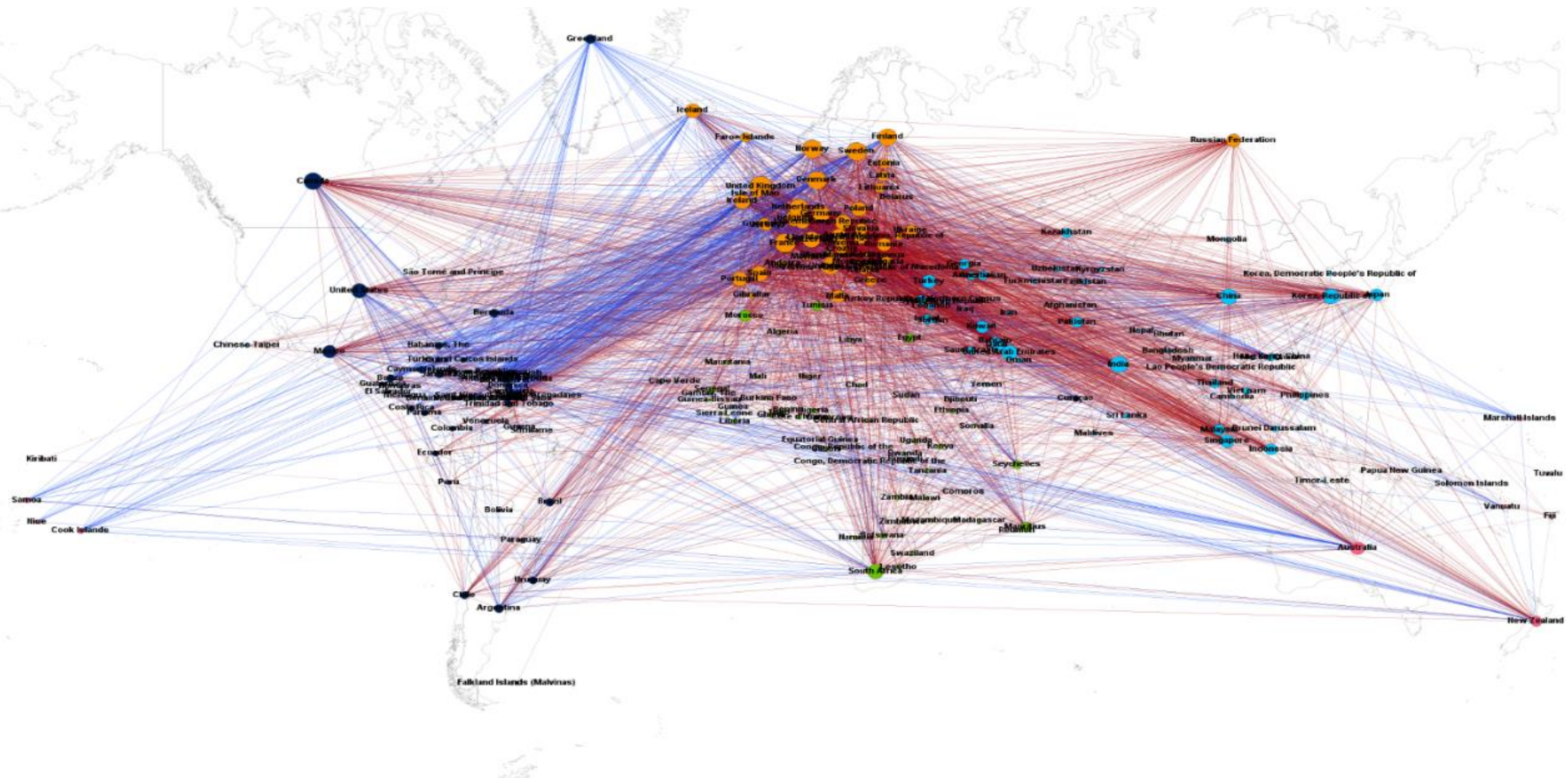
SDG SPENDING GAP AND TAX



AN IPE PERSPECTIVE

	Determinant of change in international tax governance
Interstate Context	Interstate power relations
	Typology of Power
Domestic Context	Governments preference in core countries
	Structural power of business
	Local capitalist variety
Transnational Context	Autonomy of transnational network
	Type of actors
	Club setting
	Heterogeneity of preferences

INTERSTATE CONTEXT



SOURCE/RESIDENCE BIAS IN THE OECD MODEL TREATIES

Figure By Martin Hearson (ISE)

<https://martinhearsen.wordpress.com/tag/source-and-residence/>

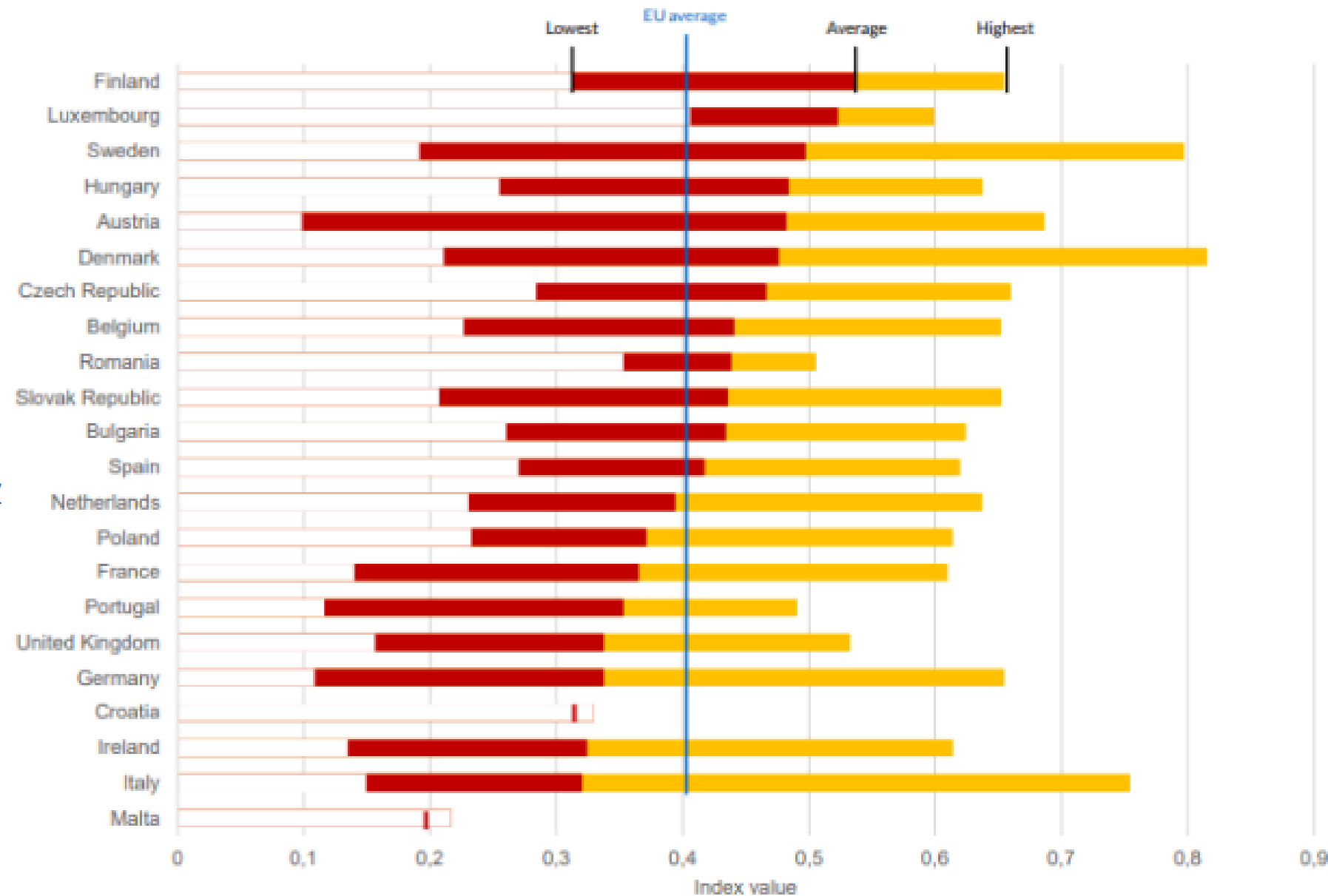


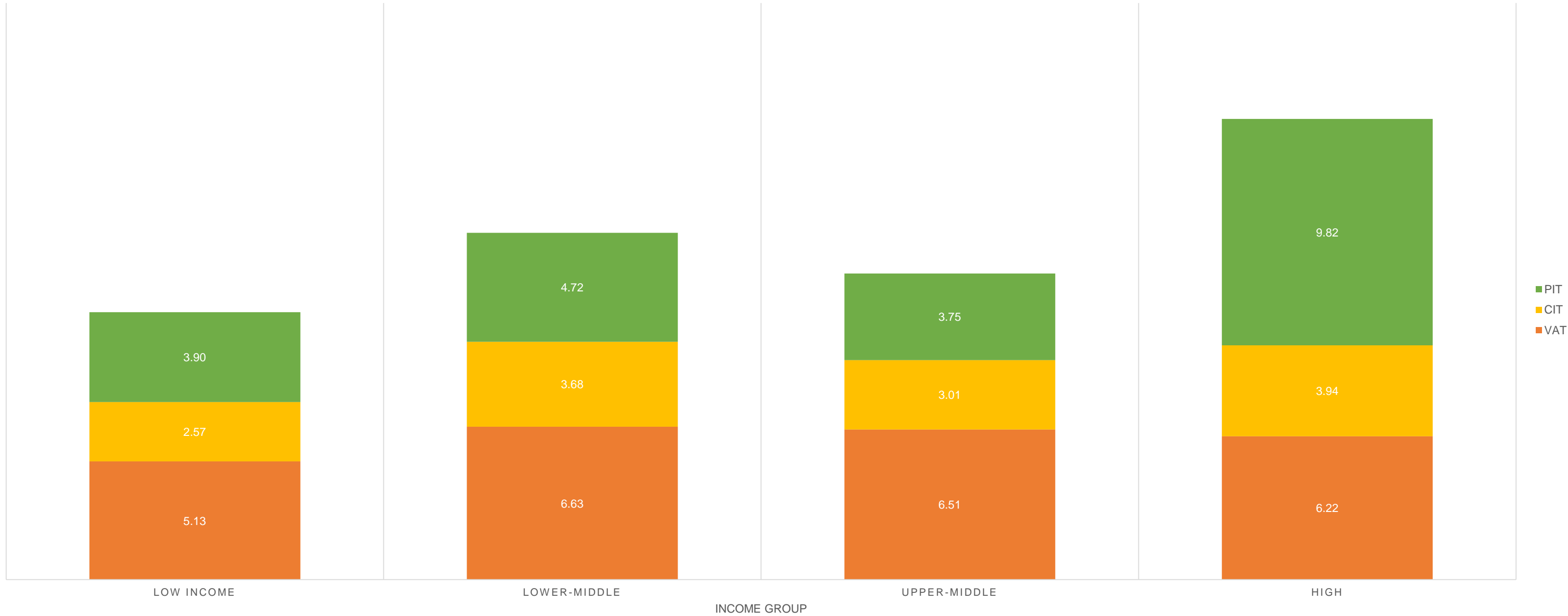
Figure 8: distribution of source index values for across EU member's treaties

The horizontal axis measures the balance of taxing rights in treaty, with a score of 1 indicating more source-based, and 0 indicating more residence-based.

DOMESTIC CONTEXT

- Dilemma: revenue or outside investment?
- Aggravated by domestic tax mix

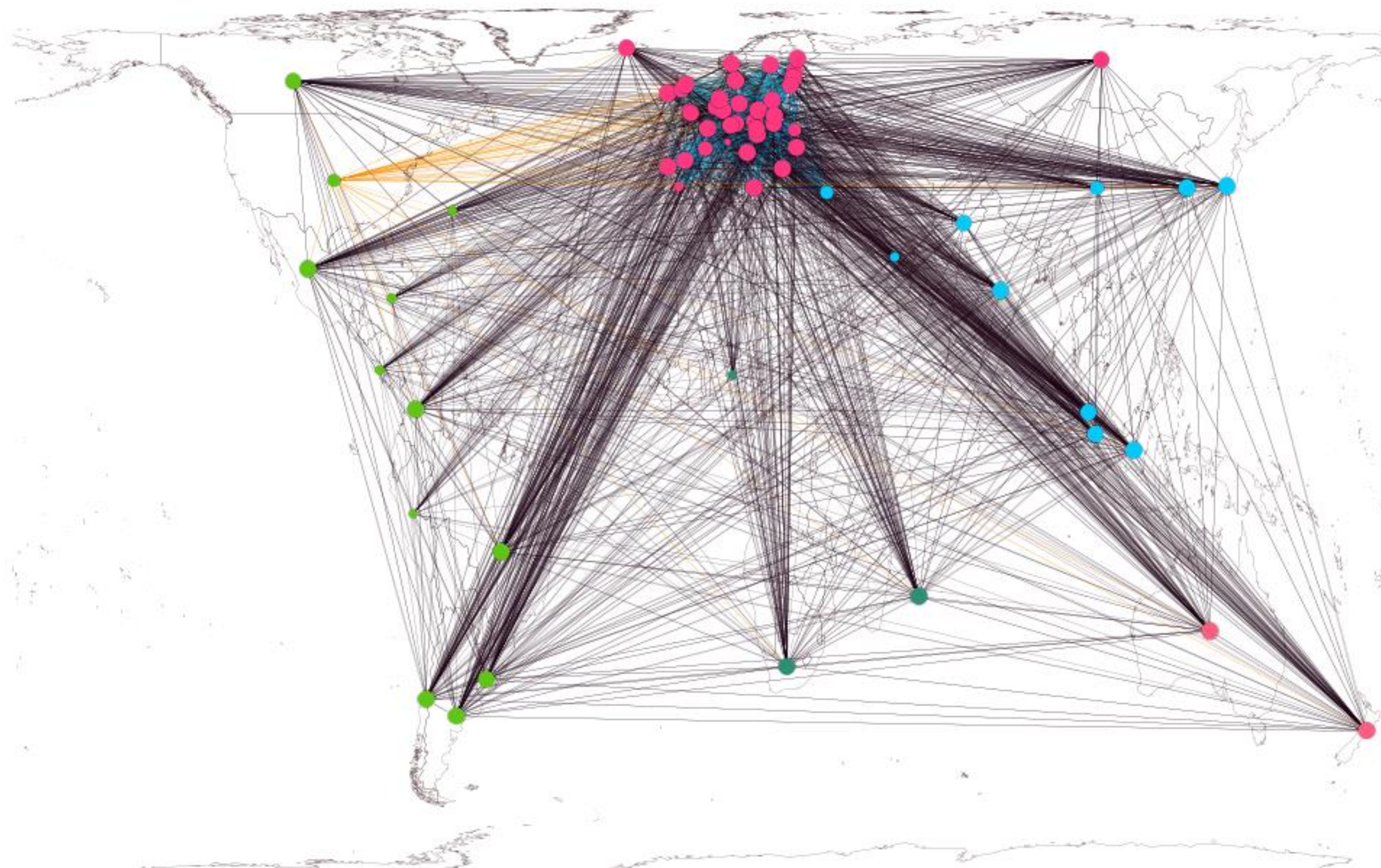
TAX REVENUES AS PERCENTAGE OF GDP



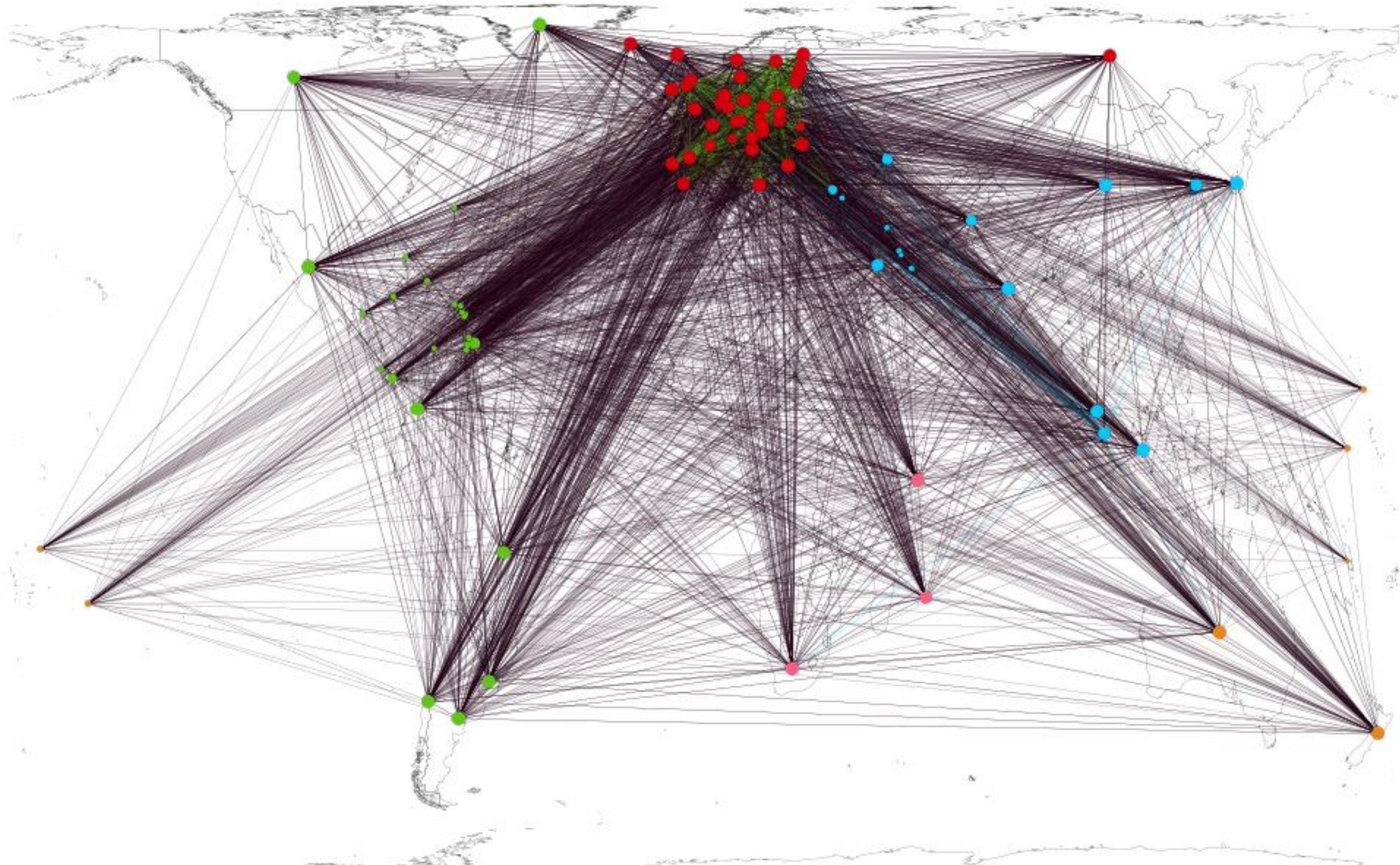
CAPACITY

- Do developing countries have the necessary capacity to implement CRS and BEPS exchange initiatives?

COUNTRY BY COUNTRY REPORTING



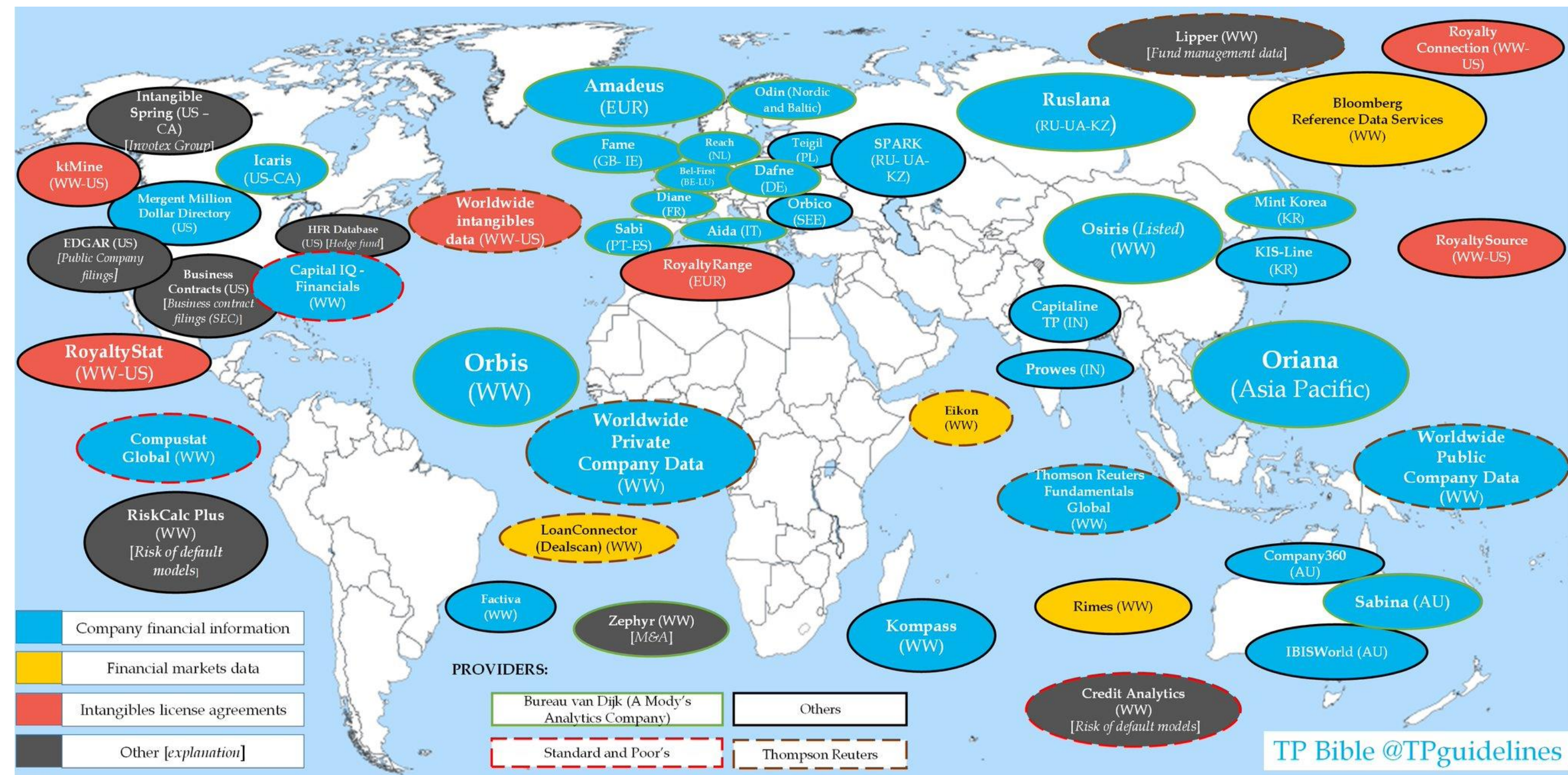
COMMON REPORTING STANDARD



TRANSNATIONAL CONTEXT

- International tax community: a group of experts that holds a monopoly claim on technical knowledge on international taxation
- How can developing countries get a foot in the door?
 - Cost of travel
 - Cost of attending meetings?

DOES IT GENERATE THE NECESSARY KNOWLEDGE?



HETEROGENITY AND FORUM RIVALRY

Platform for Tax Good Governance

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Operation

Membership

Key documents

Meetings & Documents

Background

The Platform for Tax Good Governance assists the Commission in developing initiatives to promote good governance in tax matters in third countries, to tackle aggressive tax planning and to identify and address double taxation. It brings together expert representatives from business, tax professional and civil society organisations and enables a structured dialogue and exchange of expertise which can feed into a more coordinated and effective EU approach against tax evasion and avoidance.

Operation

The Platform meets several times a year. It is chaired by the Director-General of DG Taxations and Customs Union, Mr. Stephen Quest.

Membership

Members of the Platform are the tax authorities of all Member States and 15 organisations representing business, civil society and tax practitioners. Representatives from accession countries and from the OECD may be invited to the Platform as observers.

Organisations selected as members of the Platform

ActionAid
AmCham EU
BEPS Monitoring Group
BUSINESSEUROPE
European Confederation of Independent Trade Unions (CESI)
CFE
Christian Aid
European Association of Tax Law Professors (EATLP)



INTERNATIONAL MONETARY FUND

IMF POLICY PAPER

CORPORATE TAXATION IN THE GLOBAL ECONOMY

March 2019

IMF staff regularly produces papers proposing new IMF policies, exploring options for reform, or reviewing existing IMF policies and operations. The following documents have been released and are included in this package:

- A **Press Release** summarizing the views of the Executive Board as expressed during its February 21, 2019 consideration of the staff report.
- The **Report**, prepared by IMF staff and completed on January 22, 2019 for the Executive Board's consideration on February 21, 2019.

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

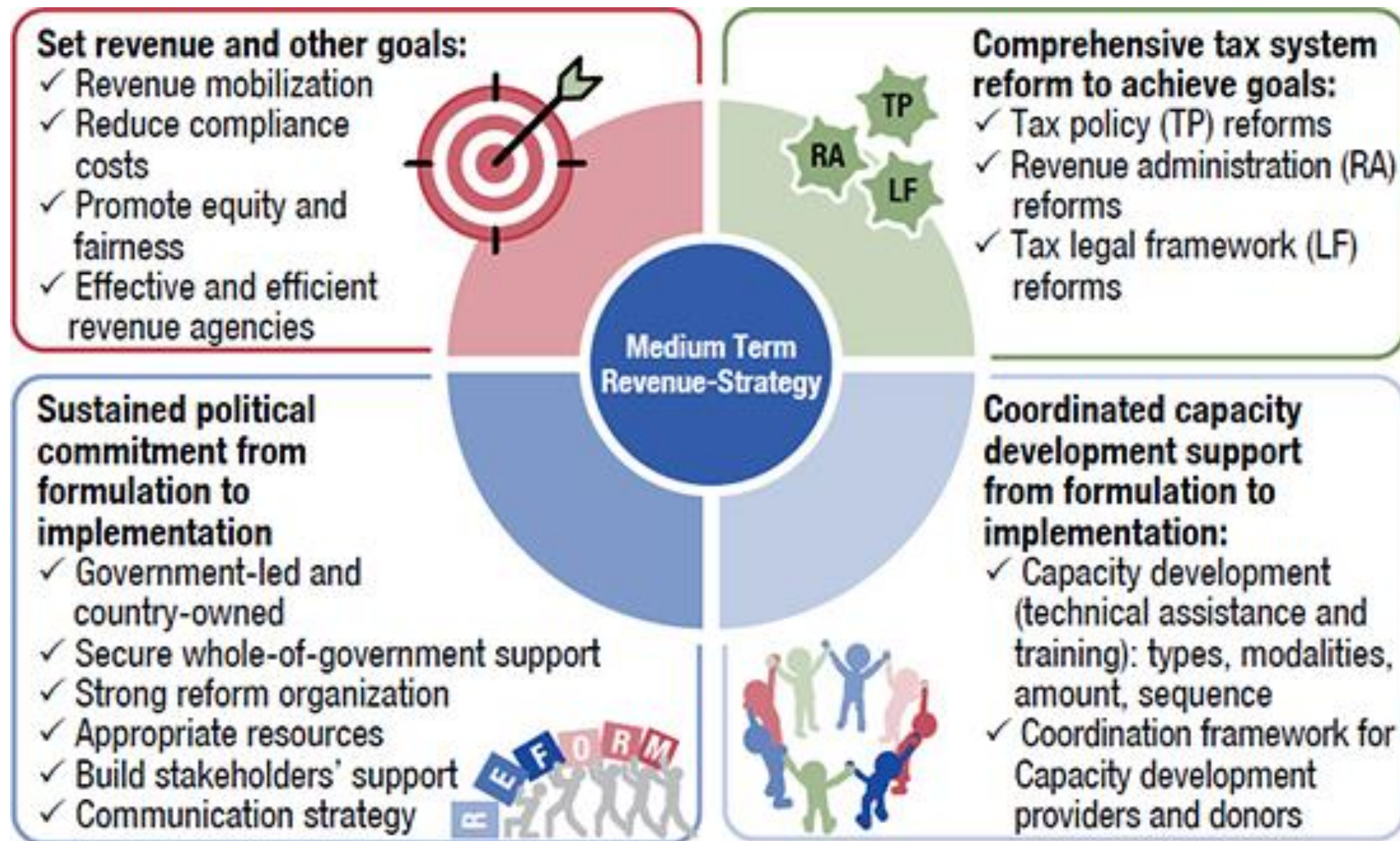
Electronic copies of IMF Policy Papers
are available to the public from
<http://www.imf.org/external/pp/ppindex.aspx>

International Monetary Fund
Washington, D.C.

Tax and development: a law perspective

- 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?

NEW GOVERNANCE MODELS?



CONCLUSIONS

- BEPS and CRS are important milestones but not priority or advantageous for every developing country
- OECD has done little to correct power imbalances in tax treaties => but digital economy!
- Western countries will need to take into account the effect of their preferred tax norms => but are tax officials involved in development policy and vice versa?

- **GLOBTAXGOV project receives funding from the EU H2020 Research & Innovation Programme and European Research Council**
Blog <https://globtaxgov.weblog.leidenuniv.nl/>
- **Twitter: @Wouterlips @GLOBTAXGOV @IrmaMosqueraV**



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A NEW MODEL OF GLOBAL GOVERNANCE IN INTERNATIONAL TAX LAW MAKING



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