

Different Models of Global Tax Governance

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Topics

GLOBTAXGOV

Proposals

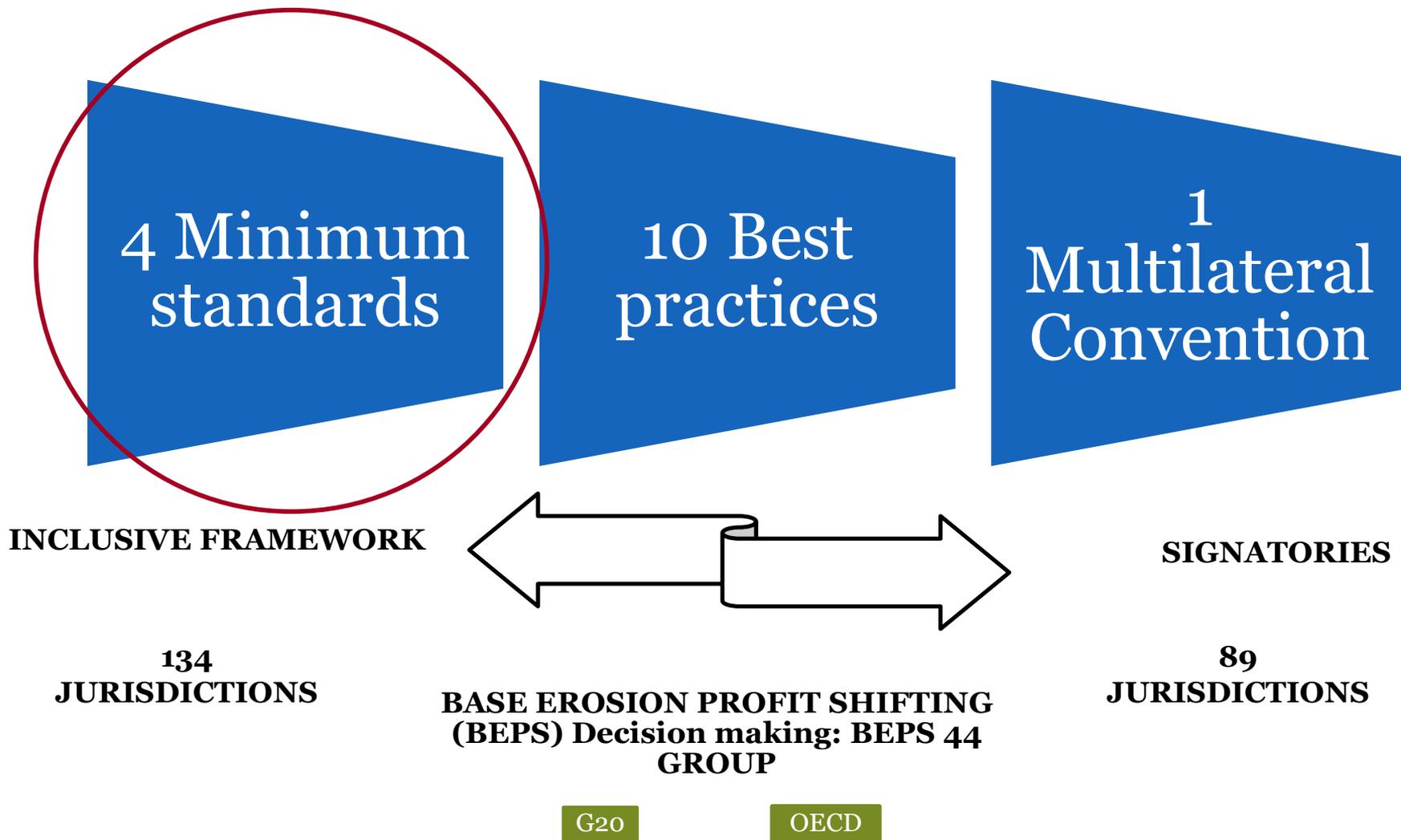
Actors



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?

TAX GOVERNANCE – OECD and G20: BEPS



Legitimacy deficits

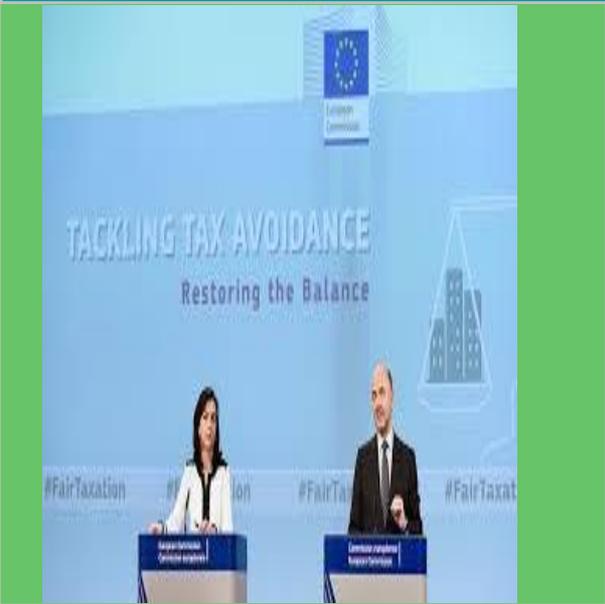
1. BEPS Inclusive Framework: Peer review input limited from peers due to technical capacity among others. IF only for implementation of BEPS 4 Minimum Standards. MLI different mismatches – bilateral negotiations.
2. Different needs of developing countries, speed of the reforms and the need to balance raising revenue vs attracting investment
 - IMF 2019 Corporate Taxation in the Global Economy
 - IMF 2019 The Rise of Phantom Investments
3. Alignment with Sustainable Development Goals and the 2030 SDG Agenda
 - Ensure responsive, inclusive, participatory and representative decision making at all levels (SDG 16.7)
 - Develop effective, accountable and transparent institutions at all levels (SDG 16.6)

TAX GOVERNANCE –OECD and G20: DIGITALIZATION

| Document | Different proposals being discussed | |
|---|---|--|
| Public Consultation Document, Feb 2019 | <ul style="list-style-type: none"> • User participation (OECD-G20) • Marketing Intangibles (The United States) • Significant Economic Presence (G24) | |
| Work Programme, May 2019 | Methods for profit allocation | <ul style="list-style-type: none"> • Modified Residual Profit Split • Fractional Apportionment • Distribution-based approaches |
| | Methods for defining nexus | <ul style="list-style-type: none"> • “remote yet sustained and significant involvement in the economy of a jurisdiction” • non-physical taxable presence |
| Impact assessment (expected Oct 2019) | Economic analysis and impact assessment of the proposals Discussed IF | <ul style="list-style-type: none"> • Feasibility and Implementation • Interest of countries (US, OECD, G20) • Consensus? Role of G24? |

TAX GOVERNANCE: EU AND THIRD COUNTRIES

Anti-Tax Avoidance Directive



State Aid Investigations

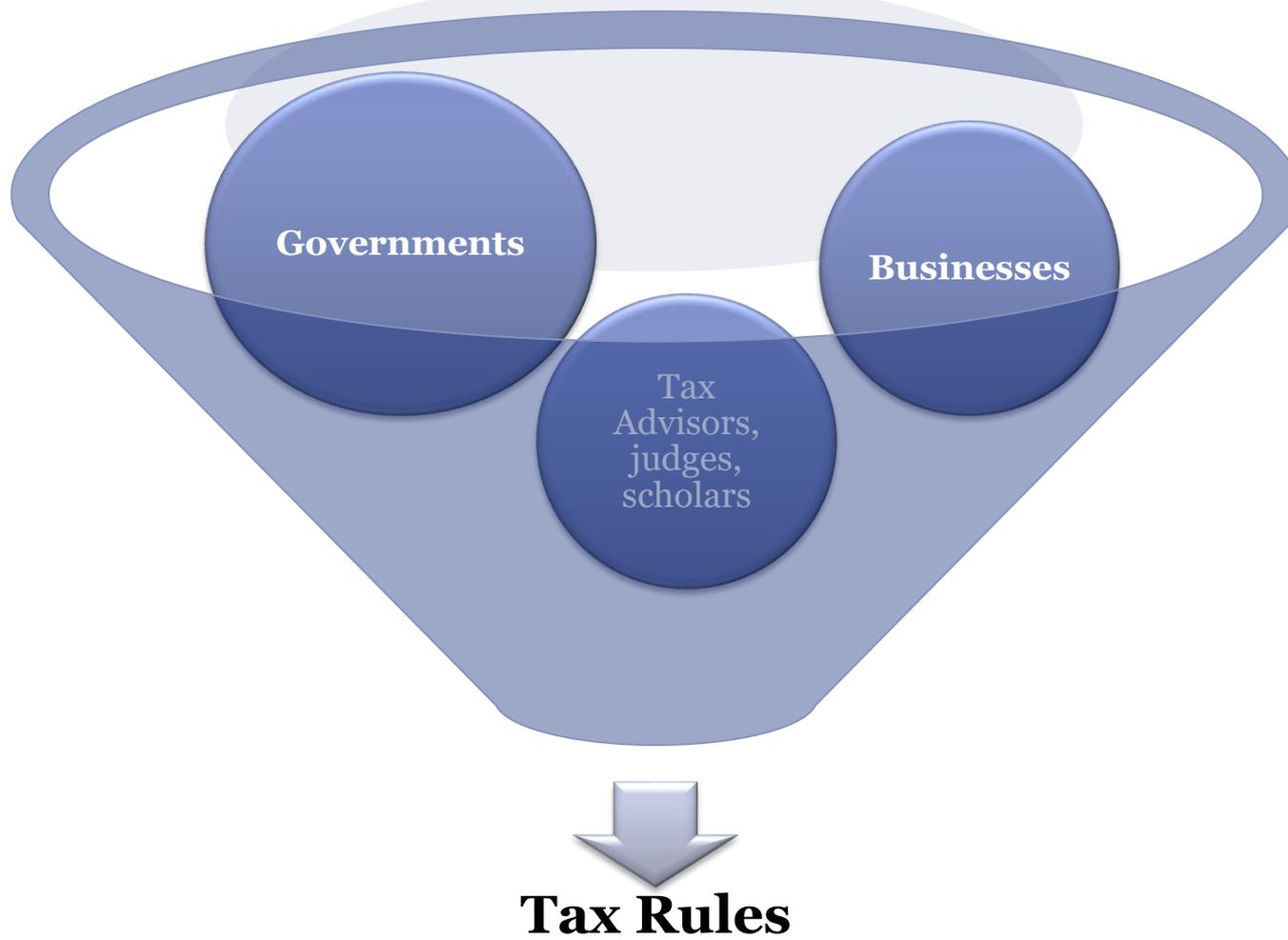


Standard of Good Tax Governance



ACTORS

International Tax Rules/Standards



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