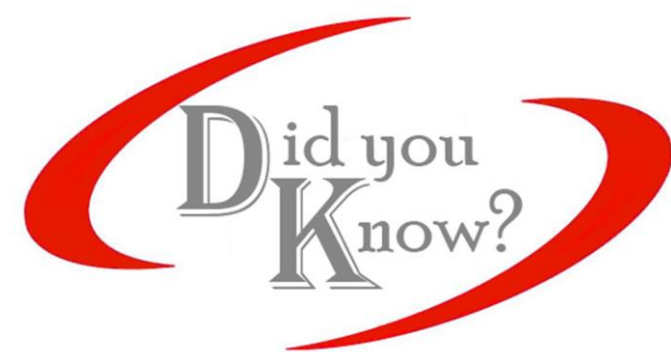


Introduction to International Taxes and Emerging Issues

By: CPA Eric Sambu, CPS(K), LLB, MBA, MAGL, MARLA, PhD (ongoing)



GLOBAL TRENDS

Taxation can be traced to old times back to the Bible days as mentioned in Genesis 47: 26, “Then Joseph made a law which is in force to this day, that Pharaoh was to have the fifth part....”.

“...the tax system constitutes one of the major interfaces between citizens and state in any country so how taxes are administered may affect not only the political future of the government of the day but also, more fundamentally, public trust in government. Tax administration may thus play a critical role not only in shaping economic development but in developing an effective state” [Anonymous]

- ❖ International taxation refers to the global tax rules that apply to transactions between two or more countries (also called States) in the world. It encompasses all tax issues arising under a country's income tax laws that include some foreign element (Rohatgi, 2005).
- ❖ Taxes are not international. There is no separate global tax law that governs cross-border transactions. Moreover, there is no international tax court or administrative body for international tax issues. All taxes are levied under their domestic law by federal, national or local governments. These tax laws have an impact on cross-border transactions. International taxation governs these domestic tax rules under customary international law and treaties.
- ❖ International tax law refers to the principles derived from public international law that deal with tax conflicts involving cross-border transactions. These principles are based on the international tax aspects contained in the domestic tax law and the customary practices of countries, and tax treaties. Sources: multilateral international tax treaties, double tax treaties, customary international law and general principles.

International taxation also supports other objectives of domestic tax systems. These objectives normally include measures:

- to promote fairness by imposing equal tax burdens on domestic and foreign taxpayers with equal income and ability to pay, regardless of the source of the income;
- to enhance domestic competitiveness through fiscal measures and to promote economic growth;
- to obtain a fair share of the revenues from cross-border transactions; and
- to ensure an equitable balance between capital export and capital import neutrality.

The principles of international taxation are influenced by tax equity and tax neutrality within the national economic sovereignty of each nation. Tax equity requires that the tax revenues from international economic activities be shared equitably by nations. It also requires that taxpayers involved in cross-border activities be neither discriminated against nor given undue preference in their tax burdens.

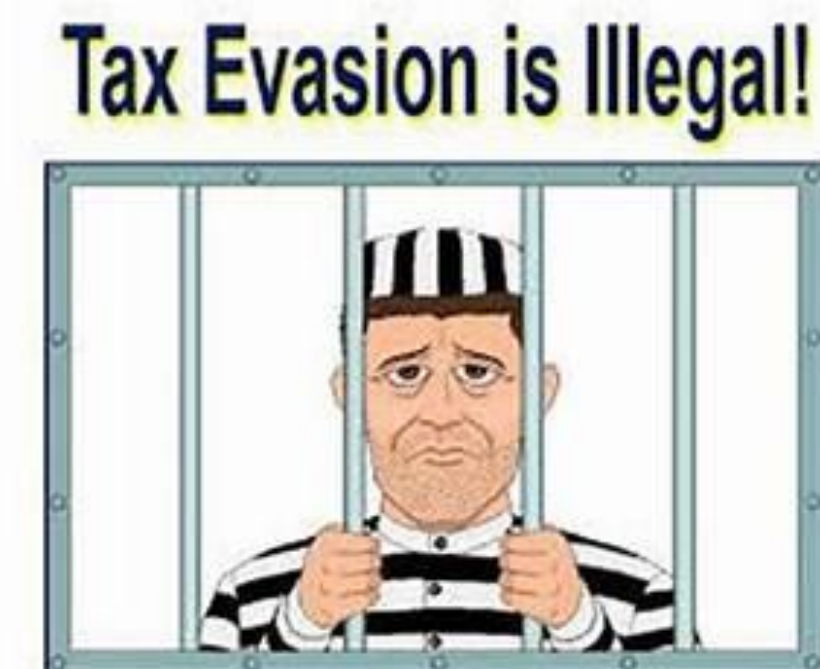
Tax systems are neutral when they do not influence the economic choices of taxpayers. They may be tax neutral either on capital export or on capital import.

- (i) **Equity and fairness** – This principle requires equal taxation on taxpayers with equal income, regardless of source, based on their ability to pay (“horizontal equity”), and the levy of progressively higher taxation on higher income (“vertical equity”). In the international context, the system should also enable each country to receive a fair share of the taxes generated by transactions involving their jurisdiction.
- (ii) **Neutrality and efficiency** – A neutral tax system that does not interfere with market forces is regarded as a more efficient distributor of factors of production. Ideally, tax systems should be neutral as between investing at home or abroad (capital export neutrality or CEN) and as between investment by domestic and foreign investors (capital import neutrality or CIN).
- (iii) **Promotion of mutual economic relations, trade and investment** – The primary purpose of tax treaties for them is to promote economic growth through foreign investment and technology.
- (iv) **Prevention of fiscal evasion** – One of the stated objectives of Model tax treaties is the prevention of tax evasion. They include limited anti-avoidance measures such as comprehensive taxation for residents (Article 4), restriction on tax concessions on dividend, interest and royalty income only to beneficial owners (Articles 10, 11 and 12) and provision for exchange of tax information among tax authorities (Article 26). A recent addition in the OECD MC is the new Article on mutual assistance in the collection of taxes (Article 27).
- (v) **Reciprocity** – As each State has full rights to tax income sourced in its own jurisdiction, it will accept a limitation of these rights only if the other tax jurisdiction provides for an equitable allocation of bilateral tax revenues.

Addressing Tax Evasion and Avoidance

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- ❖ High wealth individuals (HWIs) and multi-national enterprises (MNEs) can evade or avoid domestic taxes easily unless limited by concerted multilateral efforts.
- ❖ Zucman (2014) estimates that 7.3 percent of U.S. GDP was held in tax havens in 2007.
- ❖ The OECD BEPS Action 11 report summarized the academic and government research through 2015, and estimated that cross-border tax avoidance ranged from 4 to 10 percent of global corporate income tax revenue, or \$100–\$240 billion annually at 2014 levels.
- ❖ Cross-border tax avoidance takes the form of transfer mispricing to shift income from high-tax-rate countries to low-tax-rate countries, the strategic location of debt in high-tax-rate countries, and the strategic location of intangible assets in low-tax-rate countries. Other forms of tax avoidance through hybrid structures, tax treaty planning, and avoidance of permanent establishment have not been analyzed to the same extent.



As is readily obvious from some of the basic international provisions of tax codes, the variance in tax rates across different countries gives rise to a number of complex international tax issues that confront tax administrations all over the world, such as:

- ❖ Deciding which parts of capital should be treated as "domestic" or "foreign" in residence based taxation;
- ❖ Deciding what is "foreign" and what is "domestic" income (source rules);
- ❖ Matching of expenses and income to whichever expenses relate;
- ❖ Deciding which foreign taxes are paid against which income (cross-crediting); and
- ❖ Defining related-party transactions and arms-length transactions, including "transfer pricing".



Transfer pricing rules: several countries have established detailed regulations to ensure that the transfer pricing on cross-border transactions between related entities is acceptable. Many of them follow the guidelines provided by the OECD. These rules require that transactions are bona fide and undertaken on an arm's length basis.

Anti-haven or antideferral measures: many OECD countries today have controlled foreign corporation or "CFC" rules in their domestic law. These measures prevent companies from avoiding current taxation in the residence State through the accumulation of taxable income abroad, particularly in low tax jurisdictions. Since domestic law cannot tax foreign income until it is received or remitted, they effectively extend the residence rules to tax passive income retained overseas by their residents, on a current basis.

Thin capitalisation rules: these rules prevent financing structures with high debt–equity ratios. Interest expense is tax deductible, whereas dividend payments are not. Therefore, high debt–equity ratios can reduce taxation on business profits. Under these rules, interest payments in thinly capitalised companies is disallowed and even taxed as constructive dividends.

Antitreaty shopping provisions: treaty shopping allows the unintended use of tax treaties by third-country residents. It makes bilateral treaties effectively "treaties with the world", and leads to a loss of tax revenues in the source State. Some countries have specific anti-treaty shopping provisions in their domestic law, and sometimes contain Limitation on Benefits provision in their treaties to counter unintended treaty shopping.

Exchange of information: tax treaties provide for the exchange of information between the tax authorities of Contracting States. They allow tax information to be shared in suspected cases of tax avoidance and evasion. This exchange may be on request or spontaneous.

Some basic legislative provisions to ease the tax administration in handling complex international tax issues include:

- ❖ A clear definition of the object of taxation, including what constitutes residency, what constitutes a permanent establishment and what income is attributed to it and is subject to tax;
- ❖ Providing for credit for taxes paid to other jurisdictions wherever income from outside of the own jurisdiction is taxed, but setting limits on such credits to avoid transferring revenue to these other jurisdictions;
- ❖ Allowing for the withholding of tax on payments to nonresidents;
- ❖ Providing for rules that prevent the recognition of income or loss from the reorganization of entities;
- ❖ Providing for rules that do not allow deferral of taxation (e.g., taxing residents on income from abroad only when this income is remitted to the own jurisdiction); and
- ❖ Providing for anti-avoidance related to tax havens, including treating income from a tax haven as taxable, imposing restrictions on deductibility of expenses, imposing taxes on unrealized capital gains when a taxable person leaves the own jurisdiction, and as discussed below, adopting transfer pricing rules.

- ❖ Tax administration in developing countries were under MOF. Among their biggest challenges are meager budgets for space, equipment, and other resources necessary for operations. Staff remuneration was generally very low and far from competitive with the private sector, hence breeding corruption.
- ❖ Many advocates see SARAs as solutions not only to inadequate budgets and salaries, but also to low rates of tax compliance, ineffective tax administration staff, and corruption.
- ❖ SARA's principal characteristics include: personnel systems outside of the civil service purview; self-financing mechanisms (usually with a given percentage of gross collections); and boards of directors that usually include the Minister of Finance, other key Ministries, and private sector representatives.
- ❖ SARAs expected benefits include easier reform, addressing civil service rewards, reduced corruption, autonomy from political motivations, etc. However, the IMF added that, except for "autonomy from political motivation", most of the expected benefits have not been realized.

Mature Tax Administration

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- ❖ A comprehensive tax code is in place.
- ❖ There is almost 100 percent consistency in the provisions of the law for violations of any type of tax, and the application of these provisions by the tax administration is highly and consistently accurate.
- ❖ Self-assessment is the established principle of taxation in the law, and the degree of voluntary compliance determined by reliable compliance studies is consistently above 85 percent each year.
- ❖ Regulations which interpret the tax laws are regularly prepared and issued, including advance rulings requested by taxpayers, and their timeliness and quality are excellent.
- ❖ The tax code officially creates the tax administration with a functional structure and gives authority to the Head of the tax administration, with concurrence by the Ministry of Finance, to make future changes, as necessary. These are, in fact, made periodically, with very good results.
- ❖ All the rights of taxpayers and responsibilities of the tax administration cited above are incorporated in the tax code and are realized regularly by both parties.
- ❖ A Large Taxpayer Office (LTO) for control of large taxpayers, mandated in the tax code, is established and the tax administration and taxpayers are both satisfied with the LTO's operations.

- ❖ Required tax treaties and exchange of information agreements authorized by the tax code have all been negotiated and are updated periodically.
- ❖ Most, if not all, of the compliance and enforcement provisions critical for successful operations of the tax administration are part of the tax code and fully applied by the tax administration.
- ❖ Provisions in the tax code require banks or other third parties to regularly provide information about payments to taxpayers to the tax administration for matching with its master file, and the tax administration enjoys a very successful matching/compliance program.
- ❖ The tax code's provisions for sanctions, including possible incarceration, for tax fraud/evasion are vigorously applied, and convictions and prison sentences are widely publicized.
- ❖ Under tax code provisions, banks handle 10-15 percent of filings of tax returns and 45-60 percent of tax payments for the tax administration, under contracts negotiated by the Ministry and the Head.
- ❖ Provisions for e-filing and electronic signatures in the tax code have helped the tax administration accomplish a 60-70 percent e-filing rate by general taxpayers, and a 100 percent rate by large taxpayers, as required by law.
- ❖ A statutory provision that allows exemptions only by a law of general application has been part of the tax code for several years.operations.

Neubig and Slemrod (2017) identified the issues as:

- (1) the allocation of taxing rights among countries;
- (2) global information sharing about taxpayer activities;
- (3) global information sharing about government activities; and
- (4) multilateral cooperation.



Two global initiatives by the Organization for Economic Cooperation and Development (OECD) at the behest of the G20 are the new Standard for Automatic Exchange of Financial Account Information in Tax Matters (AEOI) and the Base Erosion and Profit Shifting (BEPS) Project. Both have begun implementation, but are still at an early stage. These two global initiatives are examples of the effective use of tax system instruments to protect countries' tax sovereignty in a world of increasing globalization.



Information exchanges focused on cross-border tax evasion

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Since 2009, at the request of the G20 countries, the OECD has been working to provide exchange of information between national tax administrations about individuals' foreign financial accounts.

The Global Forum on Transparency and Information Exchange for Tax Purposes (Global Forum) leads the initiative. The Global Forum has 150 countries as of May 2018.

Benefits so far:

- . First, a system of peer reviews of the Global Forum members was instituted to ensure their compliance with the agreement. It identifies non-cooperative jurisdictions not meeting objective criteria for tax transparency purposes. The objective standards will change to ensure continued progress, and will include the availability of access to beneficial ownership information, which has been constraint to full transparency.

Information exchanges focused on cross-border tax evasion

Benefits so far:

. Second, implementation of a global bilateral exchange information system, an OECD-procured Common Transmission System (CTS), enables and reduces the resource costs of greater transparency between tax administrations. The CTS is used not only for the exchange of information about foreign financial accounts, but also other information exchanges, including Country-by-Country (CbC) reports of multinational enterprises.

Exchanges by request between two tax administrations are often slow and cumbersome. More general approaches were attempted by the European Union Savings Directive in 2005 to automatically obtain information about interest payments to individual residents in other Member countries.

In 2010, the U.S. Foreign Account Tax Compliance Act (FATCA) required information about U.S. persons' accounts in foreign financial institutions as well as strengthened self-reporting of ownership of foreign financial accounts.

Information exchanges focused on cross-border tax evasion

- ❖ In 2014, the G20 called for a new standard on the implementation AEOI for foreign financial accounts. The public and governments' reactions to the release of the leaked "Panama Papers" in 2017, by the International Consortium of Investigative Journalists, hastened the move to widespread adoption of AEOI.
- ❖ The Panama Papers included over 11 million documents of more than 200,000 offshore clients from one law firm in Panama. Subsequently, release of the "Paradise Papers" in 2017 revealed additional tax haven activity of individuals and corporations through a Bermudian-based offshore specialist law firm.
- ❖ AEOI began its initial exchanges in September 2017 between 45 countries. More than 90 countries have committed to implement AEOI with another 53 were scheduled to commence exchanges in September 2018. As of April 2018, there were over 2,700 bilateral exchange relationships activated with respect to 80 jurisdictions.



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- ❖ The U.S. has not committed to the AEOI, but has undertaken automatic information exchanges pursuant to FATCA from 2015. The U.S. has entered into intergovernmental agreements (IGAs) with other jurisdictions to do so, with requirement for reciprocal automatic information exchange with partner jurisdictions.
- ❖ As the first exchanges under the CRS approach, close to 93 billion euros in additional tax revenue was identified as a result of voluntary compliance mechanisms and offshore investigations.
- ❖ In the U.S., over \$10 billion in taxes, interest and penalties has been collected through offshore voluntary compliance efforts, with over 100,000 individuals coming into compliance between 2009 and 2016.



Information exchanges focused on cross-border tax Avoidance

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The G20/OECD BEPS Project began in 2013 focused on addressing double non-taxation due to legal gaps in the international tax structure.

The BEPS Project, undertaken by 44 countries, agreed on 15 Action reports in 2015 to increase transparency and coherence in the international tax rules. Four of the reports included minimum standards for participating countries to implement.

As of May 2018, a total of 116 jurisdictions have joined the BEPS Inclusive Framework, agreeing to the four minimum standards and working on an equal footing on additional international tax standard setting.

Information exchanges focused on cross-border tax Avoidance

BEPS Action 13 has CbC. The CbC reports includes three sets of information that will be supplied by MNEs to the tax administration in their headquarters' country, or in some cases directly to countries in which they operate. These reports will then be shared by that tax administration to other tax administrations in the countries in which the MNEs operate. The companies' information will remain confidential with tax administrations and will be used for high-level transfer pricing risk assessment and assessing other BEPS risks.

Approximately 9,000 large MNEs began filing the CbC reports with their tax administrations in 2017 for Tax Year 2016, with the first exchanges between tax administrations done in June 2018 over the CTS, also used for the AEOI.

- ❖ Disclosure discourages egregious tax planning due to increased risk of detection
- ❖ Detection of noncompliant taxpayers and evasive activities.

- ❖ The US Accounting rules have required reporting of unrecognized tax benefits (UTBs) in public companies' financial statements since 2006.
- ❖ The OECD BEPS Action 12 report recommends mandatory disclosures for aggressive or abusive transactions, arrangements or structures, with a focus on international tax schemes, and information sharing of those international tax schemes. The report notes that audits remain a key source of information about tax planning, but audits have limits on their ability for early detection of tax planning schemes.
- ❖ Israel, Mexico and the United Kingdom have adopted tougher mandatory disclosure rules since the BEPS recommendations.

- ❖ The European Union (EU) requires public reporting of MNEs' activities, including taxes, within the EU for financial services and extractive industries. That reporting began in 2014 for financial institutions and in 2016 for extractive companies.
- ❖ In addition, the extractive industry's concerns about taxes paid in a country not benefiting the citizens of the country resulted in the Extractive Industries Transparency Initiative (EITI), where individual countries report on the payments received from extractive companies and extractive companies report payments made.
- ❖ Fifty-one countries are currently participating in the Initiative, with varying degrees of implementation of the EITI standards.

- ❖ The Joint International Taskforce on Shared Intelligence and Collaboration (JITSIC) provides tax administrations with a mechanism for information exchange and collaboration. The exchanges are in accordance with the provisions of bilateral or multilateral tax conventions or tax information exchange agreements (TIEA).
- ❖ Membership of the JITSIC, currently at 38 national tax administrations, entails an active commitment to sharing information and intelligence to combat tax evasion and avoidance.
- ❖ JITSIC was originally established in 2004 as the Joint International Tax Shelter Information Centre to combat cross-border tax avoidance.
- ❖ Building on its initial achievements, the JITSIC was re-established in 2014 with many new members and an expanded mission, which enables tax administrations to collaborate with other countries without needing to negotiate new engagement frameworks each time.

- ❖ The Cross-border economic activity through digitalization offers an additional area where cross-border transparency combined with the availability of big data could enhance tax administration efforts, in particular, with respect to information on the users of online platforms as part of the gig and sharing economies and electronic marketplaces.
- ❖ This type of information sharing can help ensure that income and indirect (consumption and payroll) taxes are paid where and when they are due.
- ❖ The Forum on Tax Administration (FTA) is working with the BEPS Inclusive Framework to develop tools and cooperation in this area and will be examining the tax consequences of new technologies, such as crypto-currencies and block-chain distributed ledger technology

Although increased cross-border tax transparency has been an important achievement in multilateral tax initiatives, other multilateral efforts are also occurring to strengthen the objectives and capabilities of national tax administrations.

The initiatives fall into at least five categories:

- ❖ capacity building,
- ❖ reducing tax uncertainty,
- ❖ knowledge sharing,
- ❖ analytics, and
- ❖ whole-of-government approaches.



Global tax administration capacity building **SAMBU**

- ❖ Tax technical assistance is provided to developing countries through training and other resources by many countries and international organizations.
- ❖ The four main international economic organizations (the International Monetary Fund (IMF), the OECD, the United Nations (UN), and the World Bank Group (WBG)) in 2016 formed the Platform for Collaboration on Tax (PCT) to strengthen their ability to provide capacity-building support to developing countries and help them deliver jointly developed guidance.
- ❖ The first PCT conference was held in 2017 with a major focus on increasing domestic revenue mobilization of many developing countries to meet the UN's Medium-Term Sustainability Development Goals.
- ❖ Many developing countries have very low tax-to-GDP ratios, insufficient to provide the health and education services and public infrastructure necessary for their citizens' well-being. Stronger tax administration enforcing their current tax rules is a key element of domestic revenue mobilization.

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Global tax administration capacity building **SAMBU**

- ❖ In addition, countries are participating in a new program called Tax Inspectors Without Borders (TIWB). The program, by the OECD and the UN Development Program, sends retired tax officials to provide on-the ground real-time audit assistance and training to developing countries that have requested help.
- ❖ The OECD Tax and Development Programme helps developing countries strengthen their regimes to address transfer pricing and other BEPS-related issues, through two-to-three year-long capacity development programs. Most of the programs are delivered in co-operation with international agencies such as the African Tax Administration Forum, the European Commission, and the WBG.
- ❖ The IMF provides new tools for tax administration and compliance. Their Tax Administration Diagnostic Assessment Tool (TADAT) was formally launched in 2015. More than 30 TADAT assessments have been conducted and used as a baseline to prioritize and implement reforms in areas of identified weaknesses, which often include: inaccuracies in the taxpayer registration database; weak risk management approaches; poor on-time declaration and payment of tax liabilities; and inattention to accuracy of tax reported in declarations.

Reducing cross-border tax uncertainty

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- ❖ The OECD/G20 BEPS Project expanded the focus to ensure neither double taxation nor double nontaxation of cross-border trade and investment. The BEPS Project recognized that attempts to reduce double nontaxation could result in more cross-border tax disputes, which, if increasing uncertainty and costs, could adversely affect cross-border trade and investment without better dispute resolution mechanisms in place.
- ❖ Competent authorities can negotiate bilateral advance pricing agreements (APA) between a MNE and two countries to provide greater certainty on transfer pricing arrangements.
- ❖ Competent authorities can also negotiate mutual agreement procedures (MAPs) to resolve transfer-pricing disputes for a single MNE's allocation of income between two countries.
- ❖ The BEPS Action Report 14, which is a minimum standard of the BEPS Inclusive Framework, strengthens the MAP dispute resolution process, and more than 20 countries have agreed to explore the use of mandatory, binding arbitration for their MAP cases.

- ❖ A new voluntary program, the International Compliance Assurance Programme, (ICAP) will use CbC reports and other information to facilitate co-operative multilateral engagements between MNE groups and tax administrations. Eight countries started a pilot program in January 2018 to provide a more effective use of transfer pricing information, and more efficient use of resources of participating MNEs and tax administrations. This will hopefully result in fewer MAP cases and provide greater tax certainty to MNEs and tax administrations.
- ❖ At the request of the G20, the OECD and IMF prepared a 2017 report²⁴ on the sources of tax uncertainty and some tools to reduce tax uncertainty. Improved tax dispute resolution is important, but even better would be reducing the sources of uncertainty before there is a tax dispute. Some of the uncertainty arises at the policy level, but uncertainty also occurs in tax administration, including ineffective and unpredictable implementation of existing tax laws.

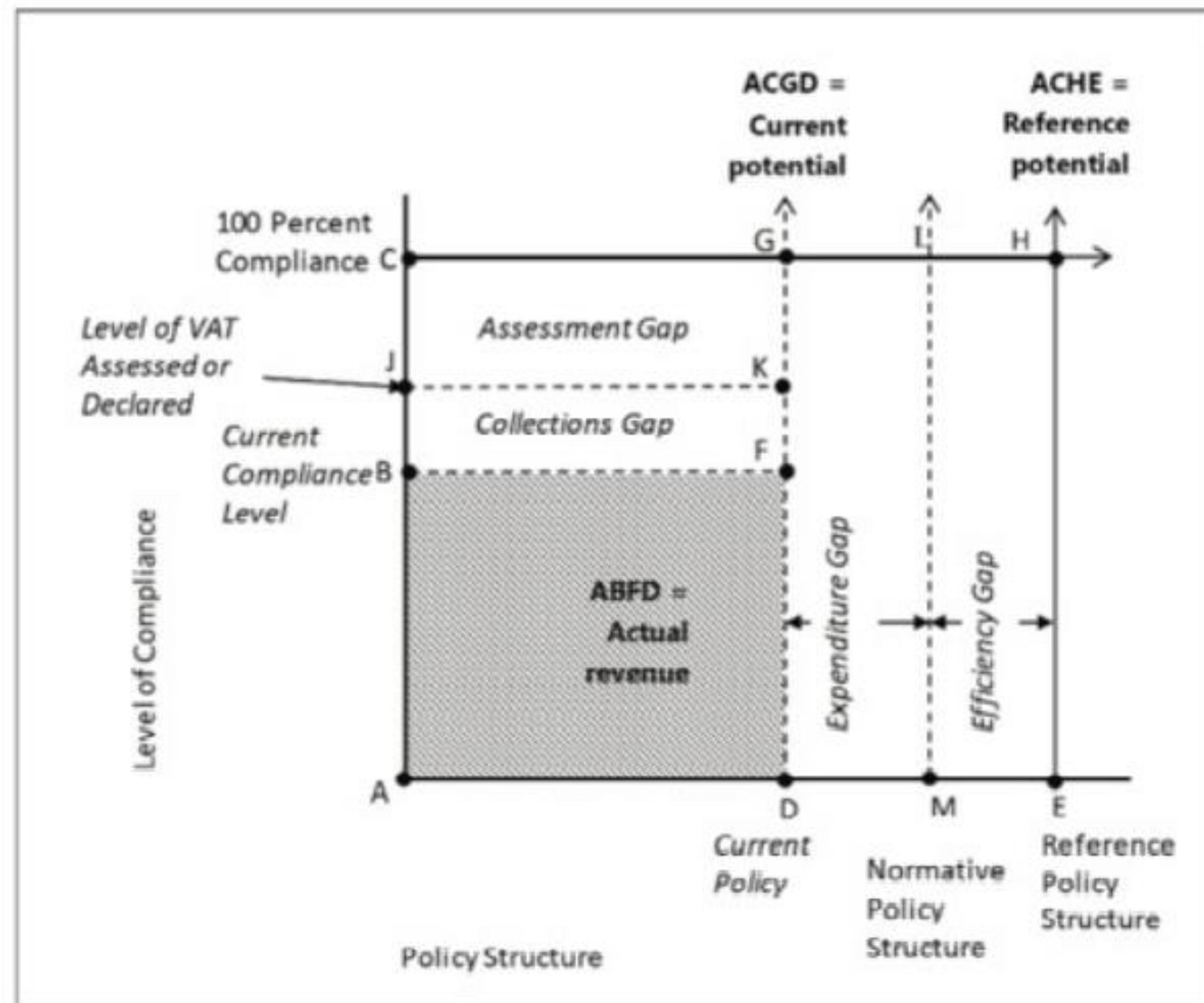
- ❖ The Forum on Tax Administration (FTA) was created in 2002 and is a unique forum on tax administration for Commissioners from 50 OECD and non-OECD countries.
- ❖ The FTA is designed to create an institutional structure through which Commissioners can identify, discuss and influence relevant global trends and develop new ideas to enhance tax administration around the world.
- ❖ The FTA helps tax administrations increase the efficiency, effectiveness and fairness of their tax administration and reduce the costs of compliance through reports and information or guidance notes.
- ❖ The FTA is tackling the issue of the shadow economy,²⁵ the effective use of data, both domestically and internationally, the management of tax debt and how to minimize identity fraud through effective tax registration and identification.
- ❖ The FTA is working on options for sharing of information on payments made by online intermediaries in the sharing economy, the digital transformation of tax authorities through new technologies, analytical tools, and enhanced data sources.

- ❖ A valuable source of comparative information about different national tax administrations is collected in a biennial survey, the Tax Administration Survey (TAS). It has been collected since 2004, but the 2017 edition is the first joint web-based survey—the International Survey on Revenue Administration (ISRA)²⁶—developed by the OECD, IMF, the Inter-American Center of Tax Administration (CIAT), and the Intra-European Organization of Tax Administrations (IOTA).
- ❖ It examines the fundamental elements of modern tax administration systems, their performance on a variety of metrics, as well as key trends, recent innovations and examples of good practice.
- ❖ The OECD publishes important information about countries' tax systems, which recently expanded beyond the 35 OECD countries to 80 countries. The OECD expanded its publications to include a Corporate Tax Statistics publication from 2018 as part of the recommendations in the BEPS Action 11 report.

- ❖ One of the metrics of tax administration is the tax compliance gap. A limited number of countries estimate their tax gap. The IMF has introduced a standardized methodology for measuring compliance gaps for different types of taxes in different countries. The RA-GAP, measures the components of the overall tax gap, including both the tax compliance gap and tax policy gap.
- ❖ The compliance gap is shown separated in two elements: the assessment gap and the collection gap. The policy gap is shown separated in two elements: the tax expenditure gap and the efficiency gap.

FIGURE 1. Components of the Tax Gap: Compliance and Policy Gaps

SOURCE: Hutton (2017).



Although cross-country comparisons of tax systems, tax compliance gaps, and tax expenditures are difficult due to the unique nature of each country's tax system, such comparisons can help policymakers with some benchmarking with similar countries or tax systems, identification of "sore thumbs," and best practices.

Tax administration as part of whole-of-government issues

- ❖ Tax administrations are working closely with other global organizations fighting financial crimes, corruptions, money laundering, and terrorism financing.
- ❖ The Financial Action Task Force (FATF) has 35 member countries plus 2 regional organizations working together to combat financial crimes, including tax evasion.
- ❖ The OECD's Task Force on Tax Crimes and Other Crimes (TFTC) has a mandate to improve cooperation between tax and law enforcement agencies, including anticorruption and anti-money-laundering authorities, to counter financial crimes more effectively.
- ❖ As the world economies become more global with technology and business models blurring national boundaries, both national tax systems and national statistical offices face the same challenges of measuring national activities. Non-arm's length pricing and profit-shifting by MNEs distort taxable income, GDP, trade statistics and productivity statistics.
- ❖ The OECD BEPS Action 11 report noted that many countries' tax administrations don't have agreements with their NSOs to take advantage of the data and research synergies

- ❖ Several studies have found that increased documentation to support transfer-pricing decisions reduces profit shifting from that country.
- ❖ Unilateral action to protect a country's tax base either through a policy change or tougher enforcement actions can raise the cost of capital in that country, resulting in reduced foreign investment and fewer jobs.
- ❖ Increased transfer pricing documentation from CbCRs will be applicable in all countries, via BEPS Inclusive Framework's minimum standards, so can't be avoided by shifting activity to another country, and will have lower compliance costs than nonuniform transparency rules by different countries.
- ❖ Income tax act now includes a number of anti-BEPS provisions.



Q & A

Thank you

Email: sambueric@gmail.com