

## Joint civil society priorities for the Commission Expert Group Platform for Tax Good Governance, Aggressive Tax Planning and Double Taxation

This document is submitted on behalf of ActionAid, BEPS Monitoring Group, Oxfam and Tax Justice Network and Eurodad. We welcome the opportunity to jointly present a brief selection of key issues that we believe the Platform for Tax Good Governance must prioritise in this mandate. In addition to the issues highlighted below, please also see the individual submissions from our organisations.

**Role modelling transparency through public meetings:** In relation to the operation of the Platform, we note the following from the European Commission [decision](#) on renewal of the platform: *“In agreement with DG TAXUD, the Platform may, by simple majority of its members, decide that deliberations shall be public.”* Especially given the Platform’s role in increasing transparency in tax policy-making, we believe it is imperative that the Platform itself operates transparently, and we would therefore like to propose a vote on making the meetings of the Platform public. Recognising that some information-sharing may require confidentiality, we propose that the European Commission and Platform members could request specific parts of a meeting to be closed, on a case by case basis and subject to a majority decision-making by the members in each specific case. We hope that the Commission will agree to this proposal.

**Policy coherence for development and support for domestic resource mobilisation:** The Platform plays an important role in assisting the Commission’s work on the Addis Tax Initiative (ATI), including the ATI [commitments](#) to deliver policy coherence for development and support for domestic resource mobilisation in developing countries. The Platform must strengthen its work on this area, including by prioritising the following issue areas:

- In order to operationalize its’ commitment to policy coherence for development, the European Commission should carry out and publish **spill-over analyses** of all Member States and EU level tax policies’, including policies relating to special purpose entities, tax treaties and incentives for multinational corporations, in order to assess the impacts on developing countries. Platform members should be actively involved in the design of such an analysis. In addition, the Platform should consider the impact of EU standards, including the list of non-cooperative jurisdictions for tax purposes and associated proposed defensive measures, on developing countries.
- The Platform should assess the EU’s support for **Domestic Resource Mobilisation**, including assessing the transparency of information on EU DRM projects, the developing country ownership of projects.

**Transparency:** In order to effectively increase transparency on tax matters, the Platform must work towards ensuring that EU Member States and Institutions allow the public to access the key corporate information necessary to ensure accountability and tax justice. In addition, the Platform should assess developing countries access to relevant information on tax matters through existing transparency measures. This should include prioritisation of the following issues:

- Full **public country by country reporting** for all large multinational corporations.
- Publicly accessible **registries of the beneficial owners** of companies, trusts and similar legal structures.

**Harmful Tax Practices:** With its plurinational mandate, the European Union is at a unique position to monitor and seek rectification of harmful tax practices and regimes, notably, among EU Member States. Specifically, the following matters are viewed as a priority among CSO partners:

- **Code of Conduct Group (Business Taxation):** Platform members should be actively involved in the Review of the Code of Conduct Group (Business Taxation), its' subgroups and criteria used to assess if tax measures are effectively harmful. In addition, the Platform should consider the effectiveness of the Code of Conduct Group, including if the group should be replaced or fundamentally reformed to ensure the EU decision-making on tax matters becomes fully transparent to the public, and that decision-makers are accountable to their citizens.
- **Tax havens blacklist:** The Platform must be actively involved in reviewing the effectiveness, accountability and fairness of the EU list of non-cooperative jurisdictions for tax purposes. In particular, the Platform should consider the risk of double-standards in the treatment of EU vs. non-EU Member States, as well as the policy coherence, fairness and transparency of the listing process and the criteria used.
- **Harmful tax regimes:** The Platform should assess the impact of harmful tax regimes within the EU with regards to developing countries. In addition, the Platform should be actively involved in reviewing the impact of those regimes in the EU and on third countries, their impact, taking into account international and regional guidance on spillover analysis and the latest Missing Profits data published by [Torslov, Wier and Zucman](#), revised in April 2020.

**Unitary taxation and minimum tax:** In order to effectively address tax competition between States and aggressive tax planning by multinationals, the existing tax system based on transfer pricing must be replaced with a system that **taxes multinational corporations on the basis of their global consolidated profits**, with taxing rights being allocated between governments based on an agreed and balanced formula. In parallel, a minimum effective corporate tax rate must be introduced, at a rate high enough to stop the race to the bottom on corporate tax rates. The Platform should be actively involved in the design and assessment of any legislative proposals on minimum effective taxation, digital taxation and the introduction of a common consolidated corporate tax base and other related initiatives.

**Global standard setting on tax matters:** The Platform must consider the role of the EU in international decision-making on tax matters, ensuring it promotes fair and transparent outcomes that are coherent with development priorities and does not undermine developing countries domestic resource mobilisation. Equally, the Platform should work to ensure that the EU support global tax governance and decision making in an inclusive and transparent forum, where developing countries can participate on equal footing. This work should include prioritisation of the following topics:

- The on-going **Dialogue on tax challenges arising from the digitalisation of the economy** lead by the OECD and Inclusive Framework. Civil society has identified a number of concerns about the effectiveness and fairness of the current proposals presented under Pillar 1 and Pillar 2 of the negotiations. The Platform should evaluate the EU and Member State positions and consider the fairness and effectiveness of the current proposals, as well as the need for legislative proposals at EU level to address the digitalisation of the economy.
- **Intergovernmental tax body under the United Nations:** A critical issue for the Group of 77 (G77) – representing more than 130 developing countries – has long been the establishment of an intergovernmental tax body under the United Nations (UN). The Platform should consider the call of the G77 and support work to establish an intergovernmental tax body under the auspices of the United Nations, where all countries negotiate as equals.