

BEPS, TAX AND SDG'S

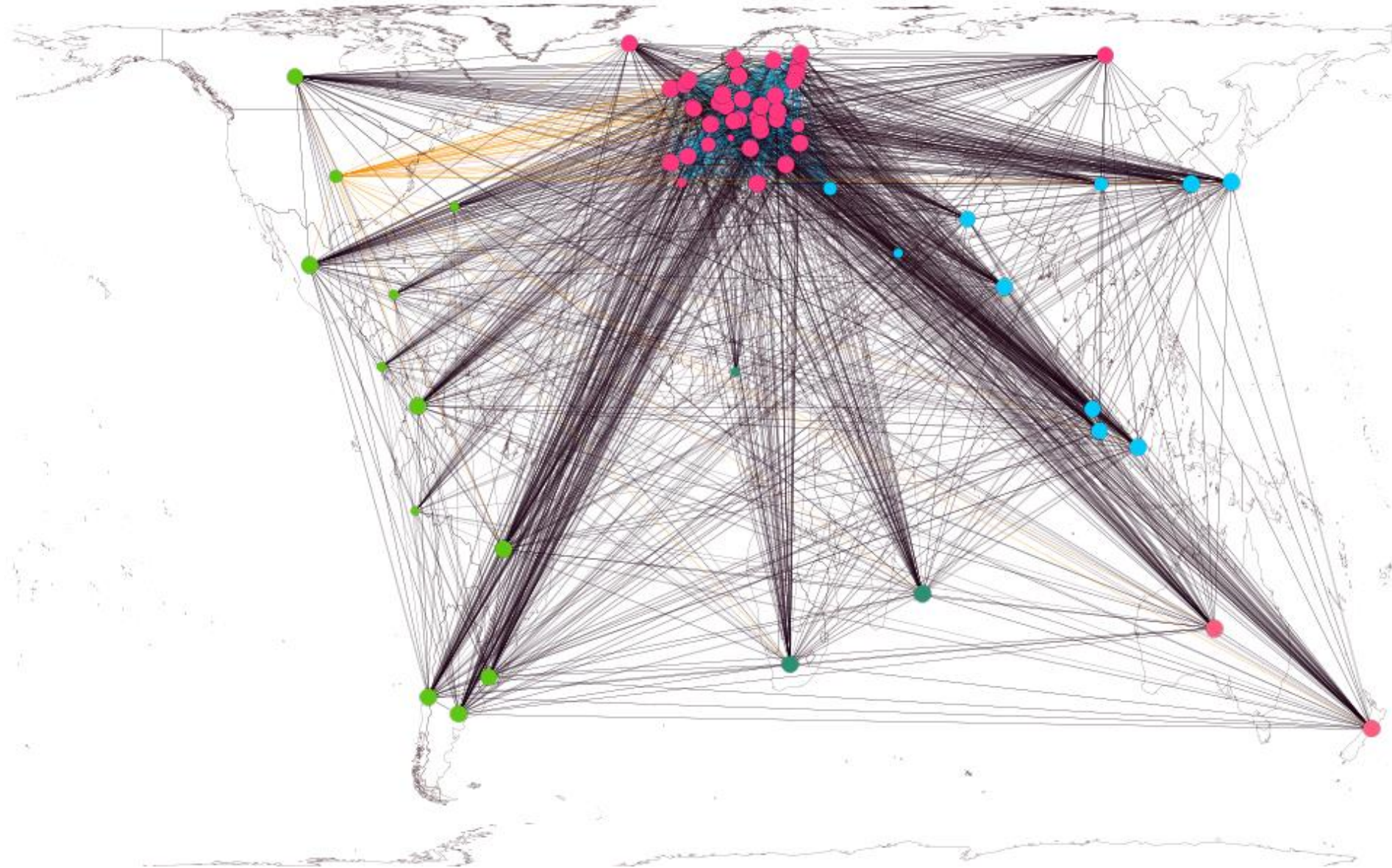
Wouter Lips & Dries Lesage

RELEVANT SDGS

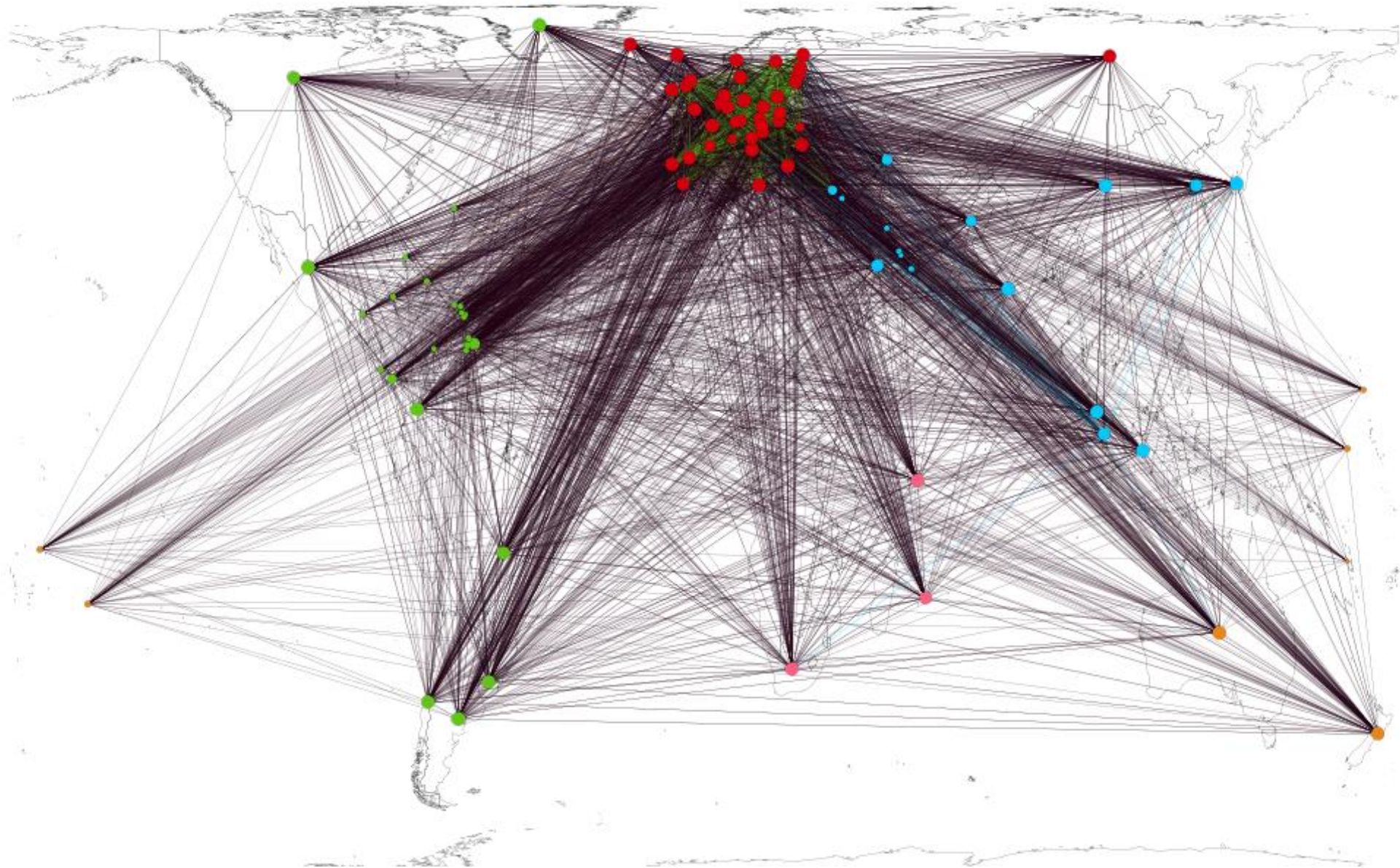
- **17.1: strengthen domestic resource mobilization, including through international support to developing countries to improve domestic capacity for tax and other revenue collection**

- **16.4: by 2030 significantly reduce illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organized crime**

COUNTRY BY COUNTRY REPORTING



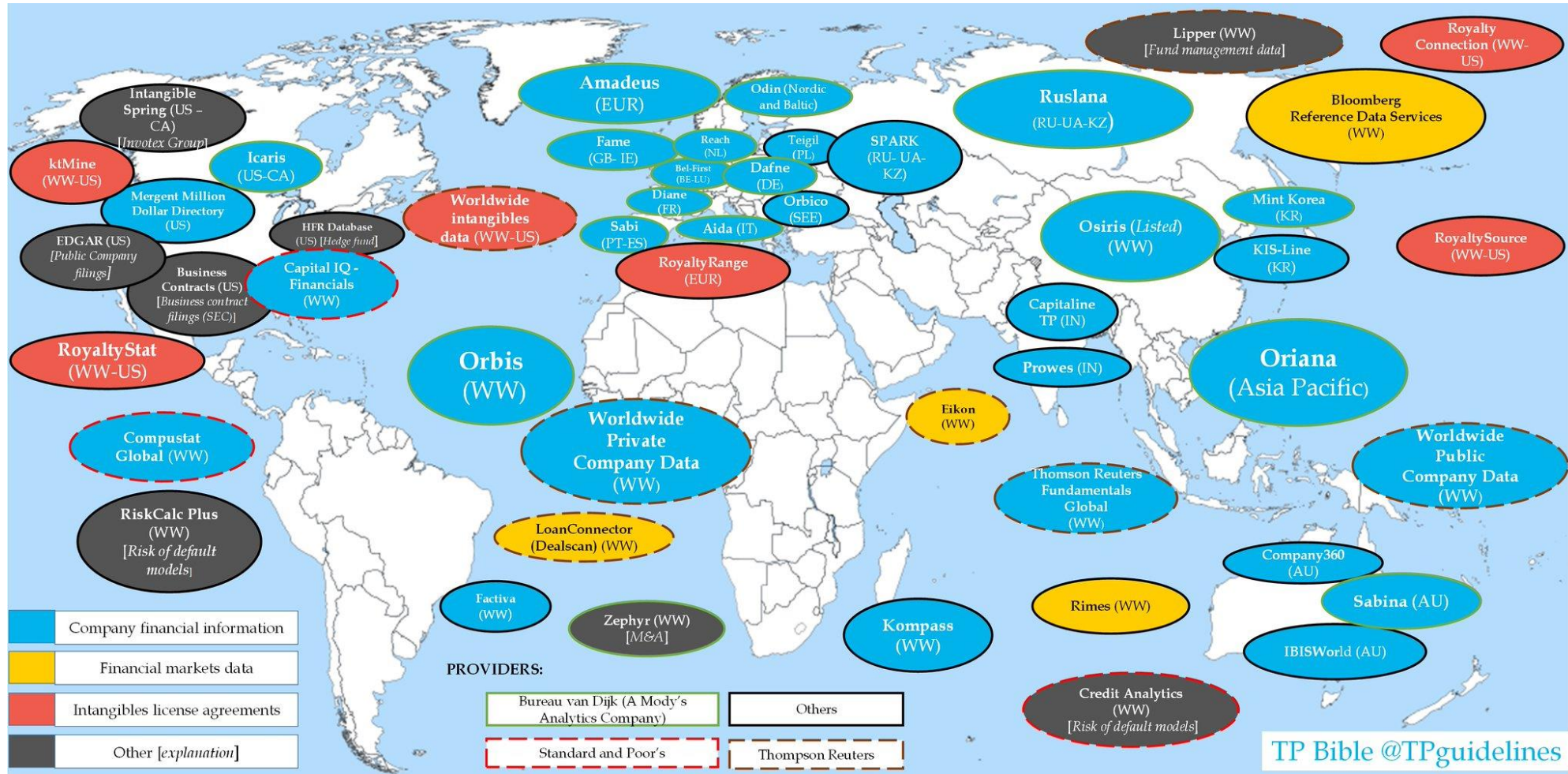
AUTOMATIC EXCHANGE OF INFORMATION



DOMESTIC RESOURCE MOBILIZATION

- *‘The BEPS outcomes, however, are etched on the OECD’s international model tax treaties, and as such reflect developed countries’ preferred international tax norms’*
- Which issues are important beyond BEPS?

ADEQUATE TP GUIDELINES?



SOURCE/RESIDENCE BIAS IN THE OECD MODEL TREATIES

Figure By Martin Hearson (ISE) <https://martinhearsen.wordpress.com/tag/source-and-residence/>

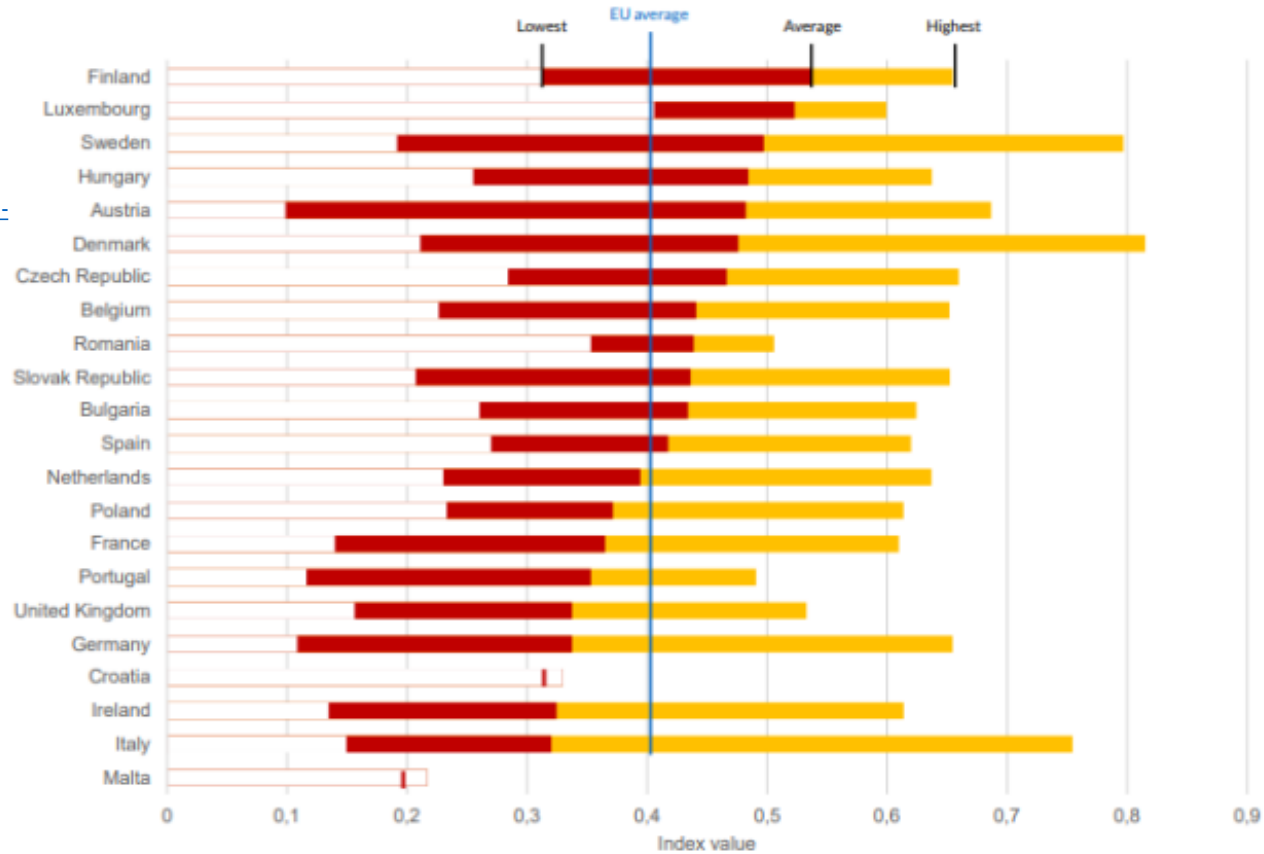
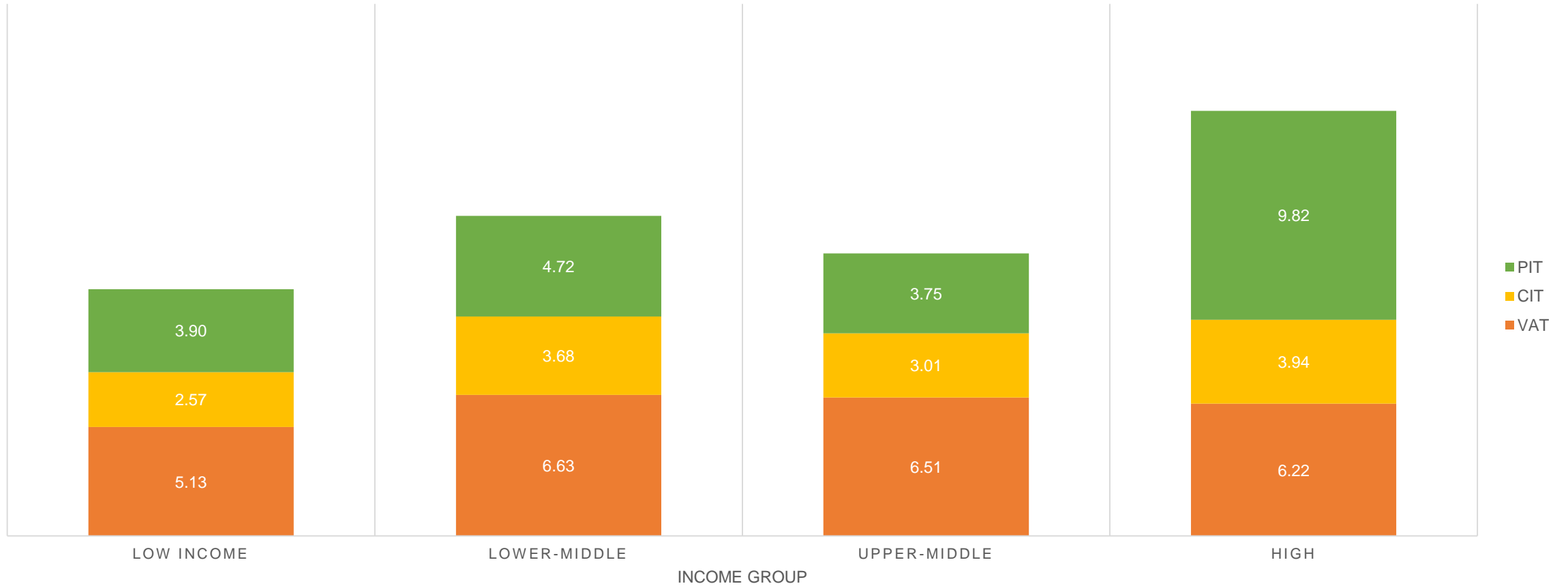


Figure 8: distribution of source index values for across EU member's treaties

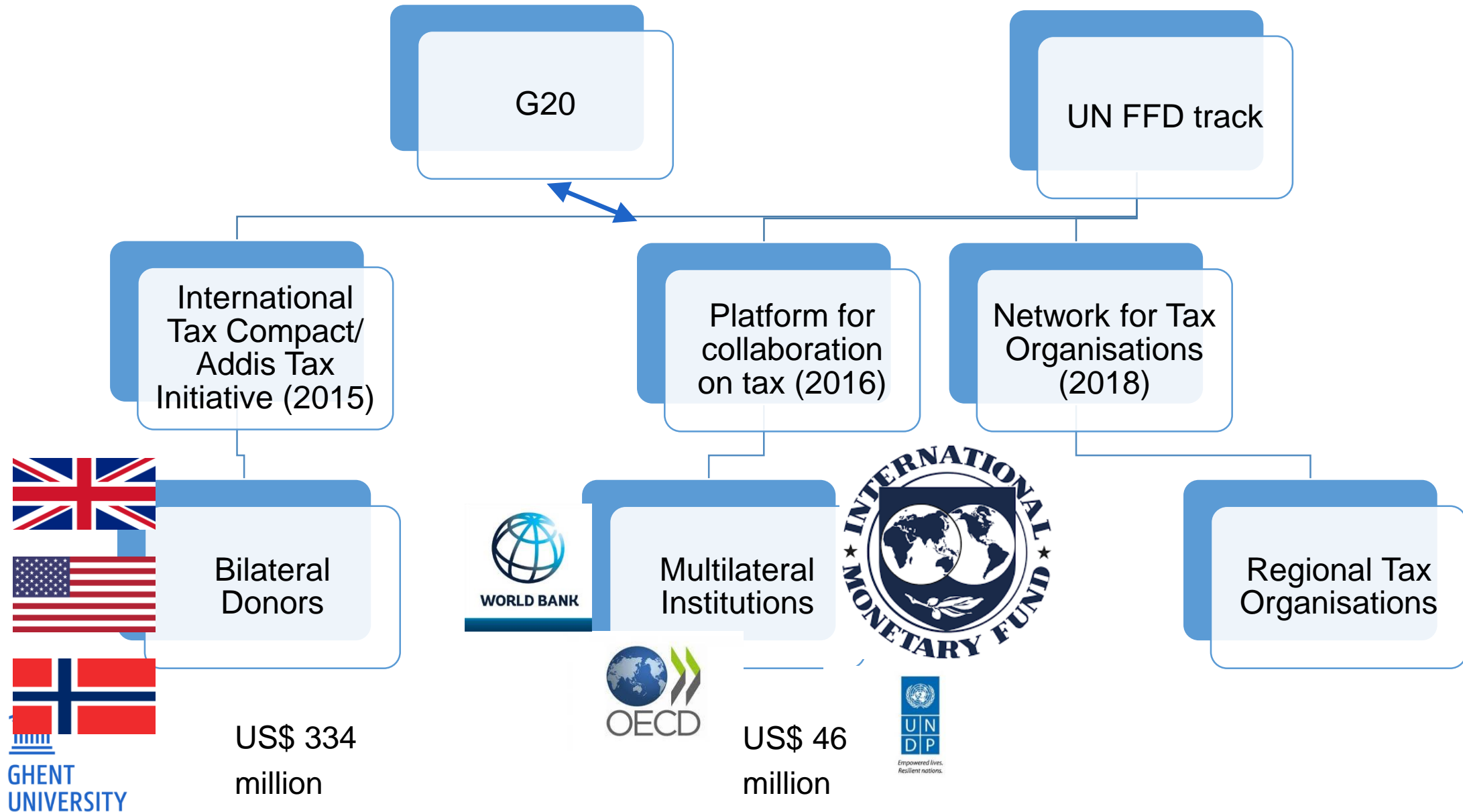
The horizontal axis measures the balance of taxing rights in treaty, with a score of 1 indicating more source-based, and 0 indicating more residence-based.

TAX MIX

TAX REVENUES AS PERCENTAGE OF GDP

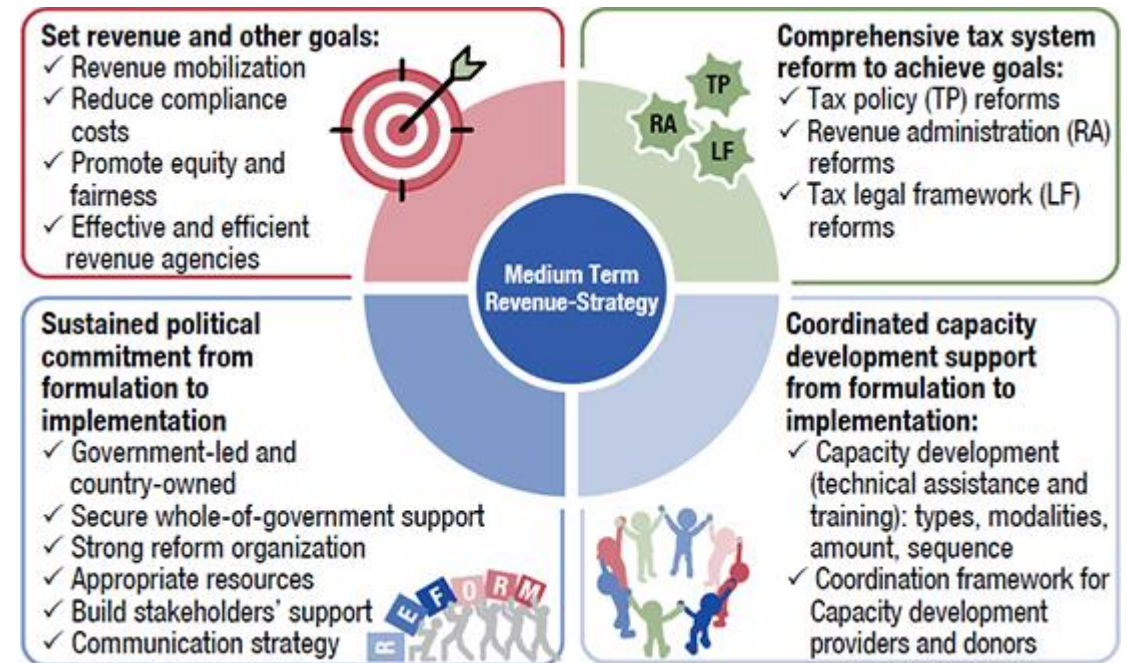


TAX CAPACITY BUILDING TODAY (2016: US\$ 380 MILLION AID FLOWS)



MEDIUM-TERM REVENUE STRATEGIES

‘social consensus on medium-term revenue goals’ and a 5–10 year ‘comprehensive reform plan for the tax system’.



MEDIUM TERM REVENUE STRATEGIES

Set revenue and other goals:

- ✓ Revenue mobilization
- ✓ Reduce compliance costs
- ✓ Promote equity and fairness
- ✓ Effective and efficient revenue agencies



Comprehensive tax system reform to achieve goals:

- ✓ Tax policy (TP) reforms
- ✓ Revenue administration (RA) reforms
- ✓ Tax legal framework (LF) reforms



Medium Term Revenue-Strategy

Sustained political commitment from formulation to implementation

- ✓ Government-led and country-owned
- ✓ Secure whole-of-government support
- ✓ Strong reform organization
- ✓ Appropriate resources
- ✓ Build stakeholders' support
- ✓ Communication strategy



Coordinated capacity development support from formulation to implementation:

- ✓ Capacity development (technical assistance and training): types, modalities, amount, sequence
- ✓ Coordination framework for Capacity development providers and donors



CRITICISMS OF THE CONCEPT

- Standard most developed countries don't adhere to
- Same set of actors, Ownership promise?
- Can newly elected governments overturn MTRS?

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