

REGIONAL CONSULTATIONS ON INTERNATIONAL TAX MATTERS

NOVEMBER 2022



SESSION 5

OECD UPDATES ON CAPACITY BUILDING ACTIVITIES AND OTHER ACTIVITIES



ROADMAP ON DEVELOPING COUNTRIES AND INTERNATIONAL TAX



G20 Italian Presidency: 2021 Report G20 Indonesian Presidency: 2022 Roadmap



We reaffirm our objective to strengthen the tax and development agenda in light of the G20 Ministerial Symposium on Tax and Development and note the forthcoming Roadmap

Chair's summary, Finance Ministers and Central Bank Governors' Meeting, Bali, July 2022



2022 Roadmap - Further co-operation with developing countries: BEPS



Provide capacity building support, particularly on priority areas e.g.

- Transfer pricing
- VAT on e-commerce
- Extractive industries

Support countries to assess potential benefits of implementing remaining BEPS actions



Consider how standard for CbC reporting can maximise accessibility, confidentiality



Explore potential stop-gap measures



Timely integration of support on effective use



Focus on remaining requirements to gain access

Facilitate progress on developing country access to CbC reports



2022 Roadmap - Further co-operation: Two-Pillar Solution



Put in place resources, expertise to provide additional capacity building to implement the Two-Pillar Solution

1. Finalisation of the rules



Amplify voices of developing countries, stronger engagement with regional partners

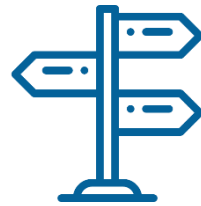


Prioritise Amount B, STTR, timely economic impact analyses

2. Legal implementation



Reinvigorated induction programmes, including impact on **incentives** (identified as a priority)



Guidance material, including on complementary measures

3. Implementation in practice



Bilateral/ multilateral assistance for compliance assurance, including via TIWB



2022 Roadmap - Further co-operation: Beyond BEPS

Areas where **strengthening multilateral collaboration** on tax policy and administration can support **broader developing country goals**



G20 could encourage greater collaboration and **more coherent, holistic** approaches



Assess opportunities for **tax policy to support the Sustainable Development Goals**



Support efforts to **digitalise tax administration**, consolidating existing knowledge and experience to drive transformative change



CAPACITY BUILDING INITIATIVES



Current Developing Countries Programme Activities

IF & BEPS

- Induction programmes to support new IF members
- Pre-meetings
- Technical sessions
- Regional consultations beyond IF membership

BILATERAL SUPPORT

Bespoke bilateral support, in collaboration with ATAF and the WBG, also covering two Pillars

GRP

Global Relations Programme on Taxation

- Multilateral and bilateral seminars
- E-learning
- Knowledge resources

TIWB

TIWB bespoke assistance, expanding into new areas, including two Pillars and Tax Incentives

Hybrid missions:

- To strengthen relationships: **physical missions** resuming
- To reach more individuals in the country: **hybrid** meetings





Induction Programmes

Re-launched to support Pillar One and Two implementation:

Senior level engagement, particularly relevant to promote signing/ratification of multilateral treaties and instruments and support changes to the domestic legislation



Technical workshops to explain the features of the new rules mainly to tax administration officials. **Follow-up focussing on key compliance skills** (e.g. applying Subject to Tax Rule and Amount A)

Opportunity to recap BEPS 1.0 progress (mainly with regard to minimum standards) and explore projects on other tax policy/administration issues



Pilot programmes on Tax Incentives and Pillar Two

- **Assist selected pilot countries in:**
 - Understanding **how the GloBE rules work**
 - Analysing existing tax regimes to see whether entities in the jurisdiction will have **low tax income subject to a top up tax**
 - Assessing the **economic impact** of the rules and any proposed changes
 - **Drafting legislation** to implement the GloBE rules or new domestic taxes and/or reform existing incentives
- **Collaborate with international and regional partners**



Pre-meetings and technical sessions for IF members

Support developing countries to actively participate in the ongoing work on the two-pillar solution

- **Technical sessions**
 - Key aspects of Amount A of Pillar One
 - the Elimination of Double Taxation (EDT)
 - the Marketing and Distribution of Safe Harbour (MDSH)
- **Pre-meetings on the key topics discussed in the Inclusive Framework meetings**
 - Pre-meetings to prepare the Steering Group
 - Pre-meeting to prepare the IF Plenary meeting



2022 Regional Consultations

Regional consultation events in 2022

- **Focus on two Pillars**
- **in collaboration with regional partners** (ADB, CATA, CIAT, COTA, CREDAF, IDB, IOTA, PITAA, SGATAR)
- **January 2022: 5 regional consultations**, attended by **675 delegates** from **124 jurisdictions**, including **102 IF members**
- **May/June 2022: 4 regional consultations**, attended by **584 delegates** from **117 jurisdictions**, including **87 IF members**



2022 Regional Consultations

Upcoming

- **Focus on two Pillars**, also covering VAT on e-commerce, and capacity building
- 3 virtual events
 - Eurasia and Anglophone Africa with CATA and IOTA on 16 November
 - Francophone countries with CREDAF on 24 November
 - Latin America and the Caribbean with CIAT and IBD on 30 November
- 2 in-person events
 - **Caribbean: 22-24 November, Kingston, Jamaica**
With CARICOM and Tax Administration Jamaica

Additional sessions on various topics including GloBE rules and tax incentives, BEPS and tax transparency, tax and tourism, VAT and e-commerce
 - **Asia-Pacific: 5-6 December, Manila, Philippines**
With ADB, CATA, PITAA and SGATAR



Platform for Collaboration on Tax (PCT)

- Regular discussions among PCT partners on latest developments in international taxation

- **Toolkits**

- Five toolkits on international tax produced
- **Update of the 2015 Toolkit**
Options for Low Income Countries' Effective and Efficient Use of Tax Incentives for Investment

To reflect impact of Pillar Two

- 'Ask an Expert' webinar series on toolkits

- **Increased transparency on PCT partners tools and activities**

- All available on PCT website - <https://www.tax-platform.org/>





Capacity building support in the Extractive Industry

Many developing countries are natural resource-rich, and BEPS is often a significant risk to revenue in this sector. The OECD, in partnership with IGF and regional bodies, continues to provide bespoke technical assistance and capacity building seminars in the high priority extractive resources industries.

Regional Training – Virtual regional training programmes were conducted in 2022 in Latin American and the Caribbean and Africa in partnership with ATAF and CIAT. A physical regional training is planned for Asia in May 2023 in partnership with the ADB.

In 2022:

- 12 modules have been delivered:
 - 8 for Africa; and
 - 4 for LAC (with the remaining 4 to be delivered)
- One regional consultation event was conducted by TIWB/IGF/ATAF on extractive industry tax audits in July 2022.

Deep Dive Program - Country-focused tailored capacity building engagements on the extractive industry are delivered principally through the partnership between OECD-IGF.

The Deep Dive program currently operates in five countries:

- Guinea;
- Mongolia;
- Papua New Guinea;
- Ecuador; and
- Zambia (in partnership with ATAF).



TIWB can play a valuable role in supporting countries in the practical implementation of two Pillars

- TIWB Governing Board agreed to
 - explore role for TIWB in implementation of the two Pillars, and
 - expand the UNDP Roster of Experts to work on tax incentives from 2023
- TIWB support may include:

Pillar One - new rules to re-allocate the tax base

- Supporting tax administrations in applying new rules extending the tax base in market jurisdictions, e.g. in **audit of new rules** and/or processes to provide MNEs with certainty on their position
- Supporting tax administrations in the **application of the new simplified approach to transfer pricing**

Pillar Two - introducing a global minimum corporate tax of 15%

- Supporting application of rules to implement the global minimum tax
- Supporting **application of new treaty provisions** between developing countries and low-tax jurisdictions



Tax Crime Capacity Building Work

OECD International Academy for Tax and Financial Crime Investigation

Multilateral training programme designed to provide tax and financial crime investigators with the core skills needed to combat illicit financial flows

2,300 participants from 167 jurisdictions across four regional centres: International (Italy), Latin-America (Argentina), Africa (Kenya), and Asia-Pacific (Japan)

OECD/UNDP Tax Inspectors Without Borders for Criminal Investigation

Bilateral technical assistance programme focussed on strengthening jurisdictions' frameworks for combatting tax crime and enhancing investigative capacity through real-time resolution of complex cases.

8 ongoing programmes connecting developing (host) jurisdictions with (partner) jurisdictions with more advanced tax crime frameworks



OECD/UNDP TIWB - AEOI

TIWB-AEOI programmes are flexible and tailored to a country's specific needs:

- **Treatment of CRS Data** - searching and filtering data received, as well as integrating with other third-party data sources and automated crosschecking.
- **Use of CRS Data** - data analytics, risk assessments, compliance interventions, notifications to taxpayers, audit policy, practice and tax assessments.



- **Few countries are ready (*reciprocal*)** to start the TIWB-AEOI programmes.
- **TIWB-AEOI pilot programme in Malaysia** is under deployment with the support of HMRC.



Digitalisation of Tax Administrations

The Forum on Tax Administration (FTA)

Digital Transformation Maturity Model: to self-assess level of digital maturity

Inventory of Tax Technology Initiative (ITTI): holds information on leading technology tools and digitalisation solutions

OECD Report *Supporting the digitalisation of developing country tax administrations:* guidance on digitalisation

New TIWB mandate - Upstream management-level, confidential advice on strategic topics

(e.g. change management, strategy development, budgeting and programme management)

Three pilots are underway, involving administrations from Asia, Africa, Latin America and Europe.

Another potential pilot opportunities are currently being explored

THANK YOU

For more information:

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