



**Association for Accountancy and Business Affairs  
in association with the Tax Justice Network**

**Programme for Essex University Workshop – 3 / 4 July 2008**

**TAX JUSTICE, TRANSPARENCY AND ACCOUNTABILITY**

**Welcome** – 12.50 - Prof Prem Sikka (University of Essex)

**Session 1 13.00 - 14.30**

Chair: Prof Prem Sikka, Essex University

James S Henry - Who is supporting the pro-"tax competition" lobby that blocks reform of tax havens, international taxation, and corporate accountability? This paper develops an analytical framework concerning the "political economy of haven taxation reform."

Philip Sarre (Open University) – The geography of international financial flows. Geographers should take more interest in the effects of the international financial system. Penetration of OFC and TNC secrecy would be a useful first step, which would also allow more accurate documentation of financial flows.

Kevin Jestin (Assistant professor Aix-Marseille) Mutual assistance has developed alongside International Fiscal Law, through conventions to avoid double taxation and tax avoidance and evasion, a process in which international organizations have gone to considerable effort to encourage collaboration among domestic tax administrations through different agreements, but what are the trends and challenges in this difficult process?

**Session 2 15.00 - 16.30**

Chair: Prof Ronen Palan, Birmingham University

Owolabi M Bakre (University of Essex) - Any genuine efforts to control corruption in developing countries in general and Nigeria in particular must involve an effective legislation that prosecutes the erring local elite, politician, public officials; tames the excessiveness of the Western economic powers-based multinational corporations and sanctions the professional misconduct of accountants.

Alex Cobham. (Christian Aid) This paper questions whether it matters where money comes from and finds it does; money raised from taxation is good for governance. But what does this mean for development policy and practice, particularly for an international charity that supports southern organisations? This paper, based on literature analysis, internal debate and inputs from partner experience, delves into this debate.

Lauren Damme, Tiffany Misrahi, Stephanie Orel (LSE) - Taxation Policy in Developing Countries: What is the IMF's Involvement? Taxation is an essential source of revenue for a state and is central to the development of Southern nations. Hence, over the past three decades, the IMF has been heavily involved in the tax reforms of less developed countries. The standard prescription of the IMF is fewer taxes, fewer rates, fewer exemptions and the implementation of the Value Added Tax (VAT) while avoiding corruption. This paper questions whether this is the right prescription for the South and whether sufficient transparency exists within the IMF process for alternative opinion to be considered.

### **Session 3 17.00 - 18.00**

Chair: John Christensen, Tax Justice Network

Andy Wynne - Are public sector accounting and auditing standards discouraging progressive taxation and public investment in developing countries?

Nicholas Shaxson (Associate Fellow, Chatham House) - The notion that mineral-dependent countries like Angola or Iraq are afflicted by a "Resource Curse" is now well established in academic literature. To address this, a more radical approach must now be pushed forwards: distribute mineral revenues directly and equally to all of a country's citizens, then tax the population directly. This paper will make the case for Direct Distribution, address the objections that have been raised, explore strategies for putting it into place, and propose that organisations such as the Tax Justice Network actively promote it.

### **18.15 Conference dinner**

Evening discussion – Alex Cobham, Valpy Fitzgerald and John Roche will demonstrate the state of play of the international tax research database they are currently developing, and will bring us up to date on the development of the Plato Index

### **Session 4 9.00 - 10.30**

Chair: Prof Sol Picciotto, Lancaster University

Thomas Rixen (Social Science Research Center Berlin (WZB)) - The Institutional Foundations of Tax Competition. Governments will only be able to realize their policy goals if they give up at least part of their formal tax sovereignty. Unitary taxation with formula apportionment is one possible solution.

Loren Ponds (Universität Hamburg) - Resolving Multilateral Tax Treaty Disputes: (In)competent Authority in the 21st Century. Is there a better way to negotiate the outcome of the disputes and what changes are needed to allow this to happen?

Jim Stewart (Trinity College, Dublin). Financial centres such as the IFSC, Dublin and Jersey have two distinct but associated features: low tax and light touch regulation. Such centres have encouraged the emergence of the 'shadow banking system', with all the harmful consequences that we observe. These centres are not transparent in terms of their activities. Despite the fact that many of the hedge and other funds that have got into difficulties are 'based' in the IFSC in Dublin, this fact is rarely mentioned in news and other reports. Even where banks have faced a credit crisis because of their Irish operations, such as IKB based in Germany, the connection with the IFSC is rarely mentioned, or the relatively low level of regulation of such entities at the IFSC. This paper explores this issue.

## **Session 5 11.00 - 12.30 - Tax and Development – Taking the Issue Forward**

Chair: Prem Sikka, Essex University

Malcolm James (University Of Wales Institute, Cardiff) There has been much rhetoric from both tax academics and practitioners that taxation systems, particularly in developed countries, are too “complex” and should be “simplified”. One approach which has been suggested is to move to a principles-based approach, rather than a rules-based approach. This paper argues that adopting a principles-based system may not deliver the benefits of greater certainty and simplicity that have been claimed for it.

Richard Murphy (Tax Justice Network) – A Code of Conduct for Taxation. A discussion of the principles that underpin and the issues that arise from the Draft Code issued jointly by the Tax justice Network and the Association for Accountancy and Business Affairs in 2007.

John Christensen (Tax Justice Network) – Closing discussion.

FOR BOOKING: SEE <http://visar.csustan.edu/aaba/taxworkshop08.html>

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