

Tax Justice Network virtual conference agenda

Where next for global taxing rights?

Technical and political analyses of the OECD tax reform

11 December 2019

13:00 - 17:30 GMT

#GlobalTaxRights

tax justice
network

Conference background

As urgent reshaping of the international tax system has risen up the geopolitical agenda, the OECD's tax reforms announced in January 2019 are proceeding at a rapid pace. The proposals set out to go “beyond the arm's length principle”, introducing elements of unitary taxation and formulary apportionment, with the aim of redistributing taxing rights to the countries where real economic activity takes place.

To date, however, there has been little public analysis of the likely effects of these reforms and questions have been raised as to whether the current proposals are comprehensive enough to provide the drastic changes the international tax system needs to keep up with the changing landscape of multinational companies.

This one-day virtual conference hosted by the Tax Justice Network will bring together international experts including speakers from the International Monetary Fund (IMF), the Intergovernmental Group of Twenty-Four (G24), the Organisation for Economic Cooperation and Development (OECD), the World Bank and the Independent Commission for the Reform of International Corporate Taxation (ICRICT) to provide technical analyses of the current proposals and consider the following questions:

- How do the current reforms compare to alternative proposals tabled by other international institutions and civil society organisations?
- What are the implications of the reforms for lower-income countries, particularly on tax bases, as well as those of OECD members?
- How far do the suggested reforms achieve their intended goals of redistribution of taxing rights and tightening up on tax avoidance?
- What are the political challenges within the OECD reform? And, looking to the future, what potential is there for involvement in the decision making process from other international bodies such as the United Nations?

Agenda

1:00pm - 1:10pm	Welcome remarks - Alex Cobham , Chief Executive, Tax Justice Network
1:10pm - 1:40pm	Keynote: 'The maldistribution of global taxing rights, and how to fix it' and Q&A Jayati Ghosh , Professor of Economics at Jawaharlal Nehru University and Commissioner at the Independent Commission for the reform of International Corporate Taxation (ICRICT)
1:40pm - 3:10pm	Panel I: 'The revenue impacts of redistributing taxing rights' and Q&A David Bradbury , Head of the Tax Policy and Statistics Division, Centre for Tax Policy and Administration, Organisation for Economic Co-operation and Development (OECD) Ruud de Mooij , Division Chief of Tax Policy, Fiscal Affairs Department, International Monetary Fund (IMF) Valpy FitzGerald , Professor of International Development Finance, Oxford University and Fellow of St Antony's College, Oxford, and Commissioner at the Independent Commission for the reform of International Corporate Taxation (ICRICT) Kimberly Clausing , Thormund A. Miller and Walter Mintz Professor of Economics, Reed College Abdul Muheet Chowdhary , Senior Programme Officer, Sustainable Development and Climate Change Programme, South Centre Lauri Finer , Special adviser to minister, Ministry of Finance, Finnish Government
3:10pm - 3:40pm	BREAK
3:40pm - 3:55pm	Keynote: 'The G24 proposal, and the challenges of the Inclusive Framework' Marilou Uy , Director of the Secretariat, Intergovernmental Group of Twenty-Four (G-24)
3:55pm - 5:15pm	Panel II: 'Which way now for the reform and redistribution of global taxing rights?' and Q&A Moderated by: Stephanie Soong Johnston , Chief Correspondent, Tax Notes Today International Ben Dickinson , Head of Global Relations and Development, Centre for Tax Policy and Administration, Organisation for Economic Co-operation and Development (OECD) International tax expert (tbc) , African Tax Administration Forum (ATAF) Marijn Verhoeven , Head of the Global Tax Team and Lead Economist, World Bank Vicki Perry , Assistant Director and Division Chief of the Revenue Administration Division, Fiscal Affairs Department, International Monetary Fund (IMF) Sol Picciotto , Coordinator, BEPS Monitoring Group and emeritus professor, Lancaster University
5:15pm - 5:30pm	Summary and close - Alex Cobham , Chief Executive, Tax Justice Network



FOREWORD



Alex Cobham
Chief Executive
Tax Justice Network
@alexcobham

Will the OECD tax reforms collapse? Three scenarios

The OECD's process for reform of international tax rules has just been torpedoed by the United States. As the US announced 100% tariffs on a range of goods, in response to the French digital services tax, finance minister Bruno Le Maire said on Monday that, "having demanded an international solution from the OECD, it [Washington] now isn't sure it wants one". Here we explore three scenarios that could emerge.

Where do things stand?

What's the current position of the 'BEPS 2.0' process, after this extraordinary development? In brief, it's pretty bad.

The OECD secretariat appeared to have gambled the success of the process, and much of its own credibility, on pushing through a deal based on a US-French agreement. The idea was that an international solution would obviate the need for the French digital services tax (DST), and therefore also avoid any US countermeasures. Now the US has announced those countermeasures anyway, and apparently signalled its intent to quit the international process.

As the Tax Justice Network and a good many others wrote in our submission to the OECD consultation on pillar one of the reforms, the 'unified' proposal being pushed by the OECD secretariat involved riding roughshod over the work programme agreed by the Inclusive Framework group of 134 countries, despite the claims that G24 and other countries would be given an 'equal say', in order to deliver a very limited reform with revenue benefits concentrated in the hands of a few OECD member countries.

Three scenarios

Two weeks ago, we reviewed the submissions to the OECD consultation and laid out three scenarios:

1. Limited reform. In this scenario, intended to meet US demands, the secretariat would deliver a reform that would redistribute little profit from tax havens, with some revenue benefit for major OECD countries and little for anyone else.
2. Process collapses due to lack of trust. In this scenario, the refusal to allow G24 countries or others the 'equal say' promised to the Inclusive Framework would be met by a rejection of the secretariat, and ultimately a collapse of the process.
3. Reset. Here, the threat of collapse would see the secretariat forced to make concessions to the Inclusive Framework. This would necessarily include a longer timeline, recognising that 2020 is simply too short for such a major overhaul of the rules, and an agreement to evaluate fully the three proposals that the Inclusive Framework had agreed to consider, including that of the G24.

These remain relevant today – but the likelihood of each has changed.

Attaching probabilities...

With the US moving to sanction France, and Bruno Le Maire indicating that US withdrawal is likely, option 1 seems increasingly improbable. Even if it is a Trump negotiating ploy, to get a 'better' (even more limited?) reform for US multinationals, the chances of success are poor. Nonetheless, the imbalance of power means that it remains possible that some, very weak deal will be signed off in 2020.

With the OECD secretariat's 'unified' proposal having proved so divisive, option 2 (the collapse of the process) seems more likely now. Placating the US will likely lead to an even less appealing outcome for Inclusive Framework members, whose faith in the process is already stretched. But the threat of confrontation with, ultimately, the US under its current volatile leadership, may prevent outright rejection of the process.

Option 3 may provide the secretariat with a path forward: to reset the process, and seek to bring the Inclusive Framework members back into the fold. While the US seems likely to take a hostile position, even assuming that it remains within the process, the advantage for the OECD secretariat is that a longer timeline extends the process beyond the next US presidential election.

In addition, a reset of the process could allow the OECD secretariat a chance to restore trust of Inclusive Framework members, and a genuinely more realistic schedule to do the homework on analysing probable revenue redistributions for the major reforms in prospect.

But it also faces real issues: the US may simply not accept the goalposts moving, and might impose harsh sanctions on individual countries, and/or withdraw financial support for the OECD. Other OECD members, too, may be unwilling to give a genuine voice to Inclusive Framework members.

Even if the secretariat has the space to try, it may not prove possible to regain the trust of G24 countries and others in the Inclusive Framework. It will take bravery for the secretariat even to try. But the other options look unlikely, or unpalatable.

Overall, the prospects of an eventual shift to a UN forum, and away from the OECD, have become more likely this week. This could happen more quickly, following a collapse of the BEPS 2.0 process, or more slowly as an attempt to deliver limited reforms drags on into 2020. Or perhaps there is another twist in the tail, from this unpredictable and often illogical US administration...

To explore the technical and political questions at this pivotal moment for the reform of international tax rules, we are bringing together speakers from the OECD secretariat, the G24, IMF, World Bank, South Centre, BEPS Monitoring Group and other leading experts at our virtual conference on 11 December.

Useful links

For full information about the conference, including summaries of all the presentations, please visit:

www.taxjustice.net/virtual-conference-where-next-for-global-taxing-rights/

Twitter: @TaxJusticeNet
Facebook: /TaxJusticeNetwork
#GlobalTaxRights



SPEAKER BIOGRAPHIES

Session I

Moderator



Alex Cobham
Chief Executive
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Alex Cobham is an economist and chief executive of the Tax Justice Network. He is also a founding member of the steering group of the Independent Commission for the Reform of International Corporate Taxation, and of the technical advisory group for the Fair Tax Mark. His work focuses on illicit financial flows, effective taxation for development, and inequality. He has been a researcher at Oxford University, Christian Aid, Save the Children, and the Center for Global Development, and has consulted widely, including for UNCTAD, the UN Economic Commission for Africa, DFID, and the World Bank. A new book, *The Uncounted*, will be published in December 2019.

Keynote



Jayati Ghosh
Professor of Economics
Jawaharlal Nehru University
Commissioner, Independent Commission
for the reform of International Corporate
Taxation
@Jayati1609

Jayati Ghosh is Professor of Economics at Jawaharlal Nehru University, New Delhi. Her research interests include globalisation, international trade and finance, employment patterns, macroeconomic policy, gender issues, poverty and inequality. She has authored and/or edited a dozen books and around 200 scholarly articles. Recent books include *Demonetisation Decoded: A critique of India's monetary experiment* (with CP Chandrasekhar and Prabhat Patnaik, Routledge 2017), the *Elgar Handbook of Alternative Theories of Economic Development* (co-edited with Erik Reinert and Rainer Kattel, Edward Elgar 2016) and *India and the International Economy*, (Oxford University Press 2015). Her research output has been recognised through several national and international prizes, including the M. Adisheshaiah Award for distinguished contributions to the social sciences in India in 2015; the International Labour Organisation's Decent Work Research Prize for 2010; the NordSud Prize for Social Sciences 2010 of the Fondazione Pescarabruzzo, Italy; and the Ava Maiti Award and the Satyendranath Sen Prize from the Asiatic Society, Kolkata. She has advised governments in India and other countries at different levels. She was the Chairperson of the Andhra Pradesh Commission on Farmers' Welfare in 2004, and Member of the National Knowledge Commission reporting to the Prime Minister of India (2005-09). She is the Executive Secretary of International Development Economics Associates (www.networkideas.org), an international network of heterodox development economists. She has consulted for several international organisations including ILO, UNDP, UNCTAD, UN-DESA, UNRISD and UN Women and is member of several international commissions. She writes regularly for popular media like newspapers, journals and blogs.

Panel I: The revenue impacts of redistributing taxing rights

Panellists

David Bradbury is the Head of the Tax Policy and Statistics Division of the Centre for Tax Policy and Administration at the Organisation for Economic Co-operation and Development (OECD). David is an Australian national and joined the OECD in April 2014, where he now leads a team of economists, lawyers and statisticians who are focused on delivering high quality economic analysis and tax policy advice, and providing internationally comparable tax data and statistical analysis. As a member of the management team at the Centre for Tax Policy and Administration, David was a key contributor to the delivery of the OECD/G20 Base Erosion and Profit Shifting (BEPS) Project and its implementation. He has also led the OECD's involvement with the Task Force on the Digital Economy and led the team responsible for delivering the interim report on the Tax Challenges Arising from Digitalisation to G20 Finance Ministers. Prior to joining the OECD, David was a lawyer, a Member of the House of Representatives in the Australian Parliament, and a Minister in the Australian Government.



David Bradbury
Head of the Tax Policy and Statistics Division
Centre for Tax Policy and Administration
Organisation for Economic Co-operation and
Development
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Ruud de Mooij is Division Chief of the Tax Policy Division in the IMF's Fiscal Affairs Department. The Division delivers an intensive program of technical assistance in tax policy of member countries; performs analytical work on topical tax policy issues; and supports IMF country teams on tax-related matters. Before joining the IMF, Mr. De Mooij was Professor of Public Economics at Erasmus University in Rotterdam. He has published extensively on tax issues, including in the *American Economic Review* and the *Journal of Public Economics*. His current research focuses on income taxation, international tax issues, and the corrective role of tax. Mr. De Mooij is also research fellow at the University of Oxford, the University of Bergen, ZEW in Mannheim, and at the CESifo network in Munich..



Ruud De Mooij
Division Chief of Tax Policy
Fiscal Affairs Department
International Monetary Fund

Edmund Valpy Fitzgerald, from the United Kingdom, is Professor of International Development Finance, Oxford University and Fellow of St Antony's College, Oxford. Until recently, he served as Head of the Department of International Development, Oxford University. Engaged in research and publication on global capital flows, open economy macroeconomics, emerging market economies and international tax cooperation, Professor Fitzgerald has acted as adviser to a number of governments (including the UK and Mexico), international institutions (including the UN and the OECD) and civil society agencies (including Oxfam and TJN).



Valpy FitzGerald
Professor of International Development
Finance, Oxford University
Commissioner at the Independent Commission
for the reform of International
Corporate Taxation

Panel I panellists cont...



Kimberly Clausing
Thormund A. Miller and Walter Mintz
Professor of Economics, Reed
College
@KClausing

Kimberly Clausing is the Thormund Miller and Walter Mintz Professor of Economics at Reed College, where she teaches international trade, international finance, and public finance. Her research studies the taxation of multinational firms. She has published numerous articles in this area, and she is the author of *Open: The Progressive Case for Free Trade, Immigration, and Global Capital* (Harvard University Press, 2019). Professor Clausing has received two Fulbright Research awards (to Belgium and Cyprus), and her research has been supported by external grants from the National Science Foundation, the Smith Richardson Foundation, the International Centre for Tax and Development, the U.S. Bureau of Economic Analysis, and the Washington Center for Equitable Growth. She has worked on economic policy research with the International Monetary Fund, the Hamilton Project, the Brookings Institution, and the Tax Policy Center, and she has testified before both the House Ways and Means Committee and the Senate Committee on Finance. Professor Clausing received her B.A. from Carleton College in 1991 and her Ph.D. from Harvard University in 1996.



Abdul Muheet Chowdhary
Senior Programme Officer
Sustainable Development and Climate
Change Programme
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@abdulmc

Abdul Muheet Chowdhary is Senior Programme Officer of the Sustainable Development and Climate Change (SDCC) Programme of the South Centre. Previously, he served in India's Ministry of External Affairs where he was a consultant in the Policy Planning and Research Division specialising in economic strategy. He was formerly a consultant to the United Nations Department of Public Information and also worked as a legislative aide in the Parliament of India, specialising in tax and financial law. He won the Oxfam-TJN 2016 international essay writing competition on "Tax Justice and Human Rights". He has a Master's in Political Science from Jawaharlal Nehru University (JNU), New Delhi, a Diploma in International Trade Law from the Indian Academy of International Law & Diplomacy and a certification in International Taxation.



Lauri Finér
Special adviser to minister
Ministry of Finance
Finnish Government

Lauri Finér currently works as a special adviser to minister in the Finnish Ministry of Finance. His tasks include following tax policy on behalf of Social Democratic Party. He is also a doctoral candidate in tax law at the University of Helsinki. His thesis discusses the changes in the international tax regime during the last decade. He has previously worked with international tax for seven years at the Finnish Tax Administration. He has also worked as a tax researcher for the civil society at Finnwatch.

Session 2

Moderator

Stephanie Soong Johnston is chief correspondent for Tax Notes Today International, whose beats include the OECD, the United Kingdom, Ireland, and Canada. She covers corporate, individual, and tax policy and administration issues, and travels often around the world to cover conferences and moderate panels. A Canadian national, she has a bachelor's degree in English literature from the University of California, Irvine, and a master of science in journalism degree from Northwestern University's Medill School of Journalism. Before joining Tax Analysts in 2011, Stephanie was an editor for Entrepreneur magazine, a U.S. small-business publication. She also worked briefly at Agence-France Presse in Bangkok in the summer of 2006, covering politics, business, and culture, and has freelanced for several business and lifestyle publications. At one point, she even worked as a fashion editor for Chicago Magazine. Stephanie was included among ICAEW's #Economia50 list of the most influential sources of finance news and information in social media for 2018 and 2016. She was also featured on International Tax Review's Global Tax 50 list of influential individuals, organizations and geopolitical events in the tax world in 2016.



Stephanie Soong Johnston
Chief Correspondent
Tax Notes Today International
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Opening speech

Marilou Uy is Director of the Secretariat of the Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development (G-24). The G-24 is a representative body of Finance Ministers and Central Bank Governors of developing countries. In her current role, Ms. Uy manages the Group's work program on perspectives of developing countries on matters related to the international financial architecture and financing for development. She also represents the Group in various international forums. Prior to joining the G-24 Secretariat in 2014, Ms. Uy was the Senior Adviser to the Managing Director at the World Bank. While at the World Bank, she also held several senior management roles, such as Sector Director for the Africa Financial and Private Sector Development Department, Director of the Financial Sector Operations and Policy Department and Chair of the Financial Sector Board that oversaw the World Bank's financial sector practice. Since joining the World Bank in 1985 as part of its Young Professionals Program, Ms. Uy worked on financial sector and private sector development in Latin America, Middle East, South Asia, and Africa. Ms. Uy pursued her graduate studies in economics and finance at the University of California, Los Angeles and the University of the Philippines.



Marilou Uy
Director of the Secretariat
Intergovernmental Group of
Twenty-Four (G-24)

Panel II: Which way now for the reform and redistribution of global taxing rights?



Ben Dickinson
*Head of Global Relations and Development
Centre for Tax Policy and Administration
Organisation for Economic Co-operation
and Development*

Ben Dickinson is Head of the Global Relations and Development Division in the OECD's Centre for Tax Policy and Administration. In this role, he is responsible for ensuring developing countries have a voice in OECD tax standard setting and receive the right support to undertake implementation of the Base Erosion and Profit Shifting package. He joined the OECD in 2005 as Head of the Governance and Fragile States Unit in the Development Corporate Directorate, responsible for the Development Assistance Committee's work on economic governance, conflict, and security matters. He then established the OECD's horizontal work on taxation and development and illicit financial flows. Prior to joining the OECD, Dickinson worked for the U.K. government as a governance specialist in Kenya, Pakistan, Indonesia, Russia, and Ukraine. He earned his master's degree in Development Studies from the University of Manchester.



Marijn Verhoeven
*Head of the Global Tax Team and Lead
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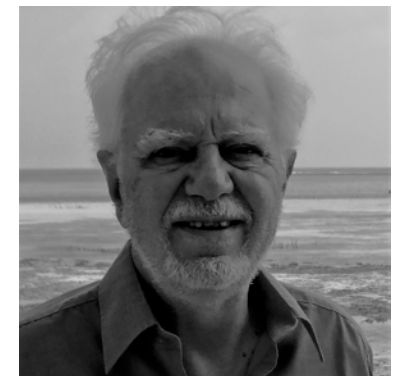
Marijn Verhoeven is a Lead Economist and Acting Practice Manager Tax in the Fiscal Policy and Sustainable Growth Unit and heads the Global Tax Team at the World Bank, where he strengthens the Bank's work on strengthening tax systems. This includes the development of analytical instruments, participation in global tax debates, and contributing to policy advice and capacity building support in developing countries. In the World Bank, Marijn has also contributed to work streams on state-owned enterprises, extractive industry governance, evidence-based PFM reforms, political economy analysis, and public expenditure reviews. Before joining the World Bank, Marijn worked at the IMF where he was the Fund's resident representative in Bangladesh and Deputy Division Chief of the Expenditure Policy Division. He was educated at Tilburg University in the Netherlands.

Victoria Perry is a Deputy Director in the Fiscal Affairs Department of the International Monetary Fund. Since joining the IMF in 1993, she has provided technical advice in tax policy and revenue administration to numerous countries in all regions. From 2002 to 2008 she served as Division Chief for Revenue Administration; from 2008 until June, 2016, she was Division Chief of Tax Policy. She is a coauthor of the book "The Modern VAT," published by the IMF in 2001. Prior to joining the IMF, Ms. Perry was the Deputy Director of the Harvard University International Tax Program, teaching comparative income taxation and value added taxation and providing technical assistance in revenue policy through the Harvard Institute for International Development. Ms. Perry previously practiced tax law with the Boston law firm of WilmerHale. She is Past President of the National Tax Association, and is also a past president of the American Tax Policy Institute, past Chair of the Value Added Tax Committee of the American Bar Association Section of Taxation, and serves on the Board of the International Institute of Public Finance. She received her J.D. from the Harvard Law School, and her B.A. from Yale University in economics and philosophy.



Vicki Perry
*Assistant Director and Division Chief of the
Revenue Administration Division
Fiscal Affairs Department
International Monetary Fund*

Sol Picciotto is emeritus professor of Lancaster University, Senior Fellow at the International Centre for Tax and Development, a Senior Adviser of the Tax Justice Network, and coordinator of the BEPS Monitoring Group. He has taught at the Universities of Dar es Salaam (1964-8), Warwick (1968-1992), and Lancaster (1992-2007); and was Scientific Director of the Oñati International Institute for the Sociology of Law (2009-2011). He is the author of International Business Taxation (1992), Regulating Global Corporate Capitalism (2011), several co-written books, and numerous chapters and articles on various international tax issues and other aspects of international business and economic law.



Sol Picciotto
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BEPS Monitoring Group Emeritus
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