

# Notes For Participating in Today's Webinar: Keynote Interview with Dr. Achim Pross

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# **The Brave New World of Global Tax**

## **Keynote Interview with Dr. Achim Pross**

Thursday, May 21, 2020

**Bloomberg Tax & Accounting**

# Speakers



**Dr. Achim Pross**  
Head of Division  
OECD Centre for Tax Policy  
and Administration



**Hamza Ali (Interviewer)**  
Senior Reporter  
Bloomberg Tax & Accounting

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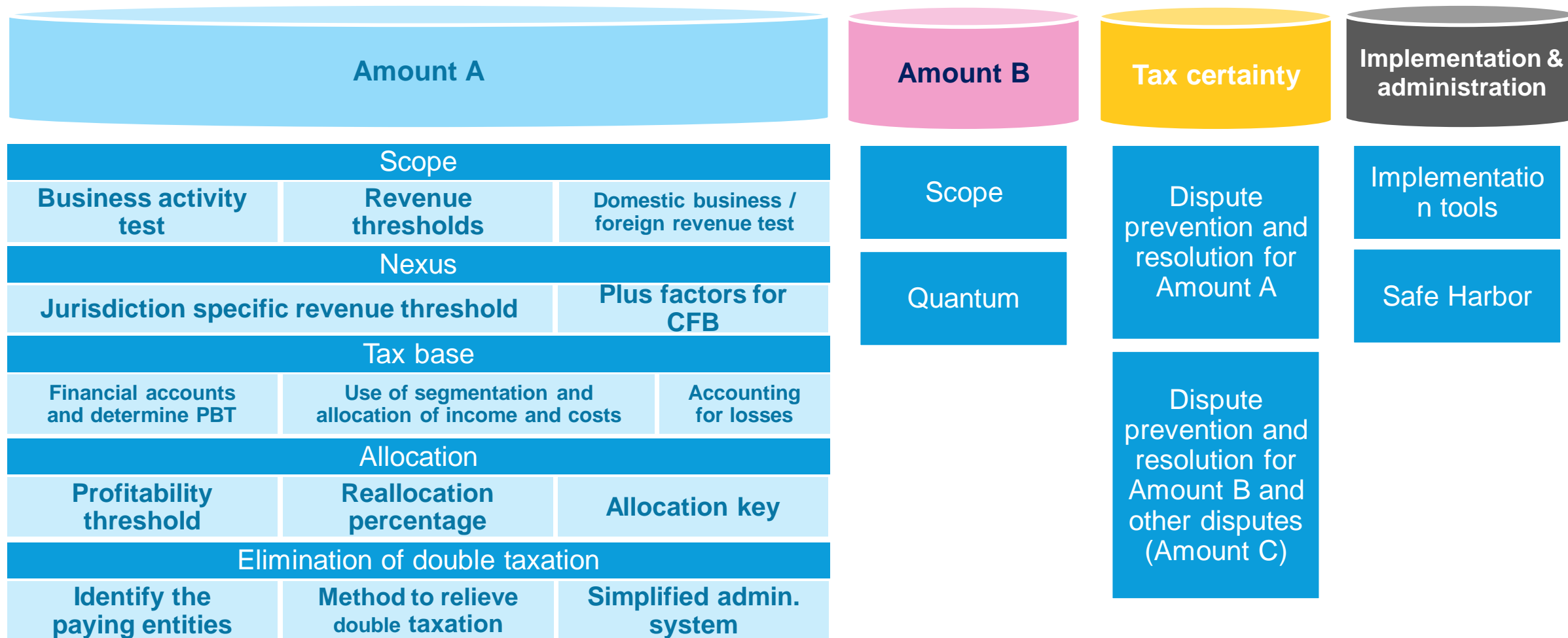
**ICAP**

**Q&A**

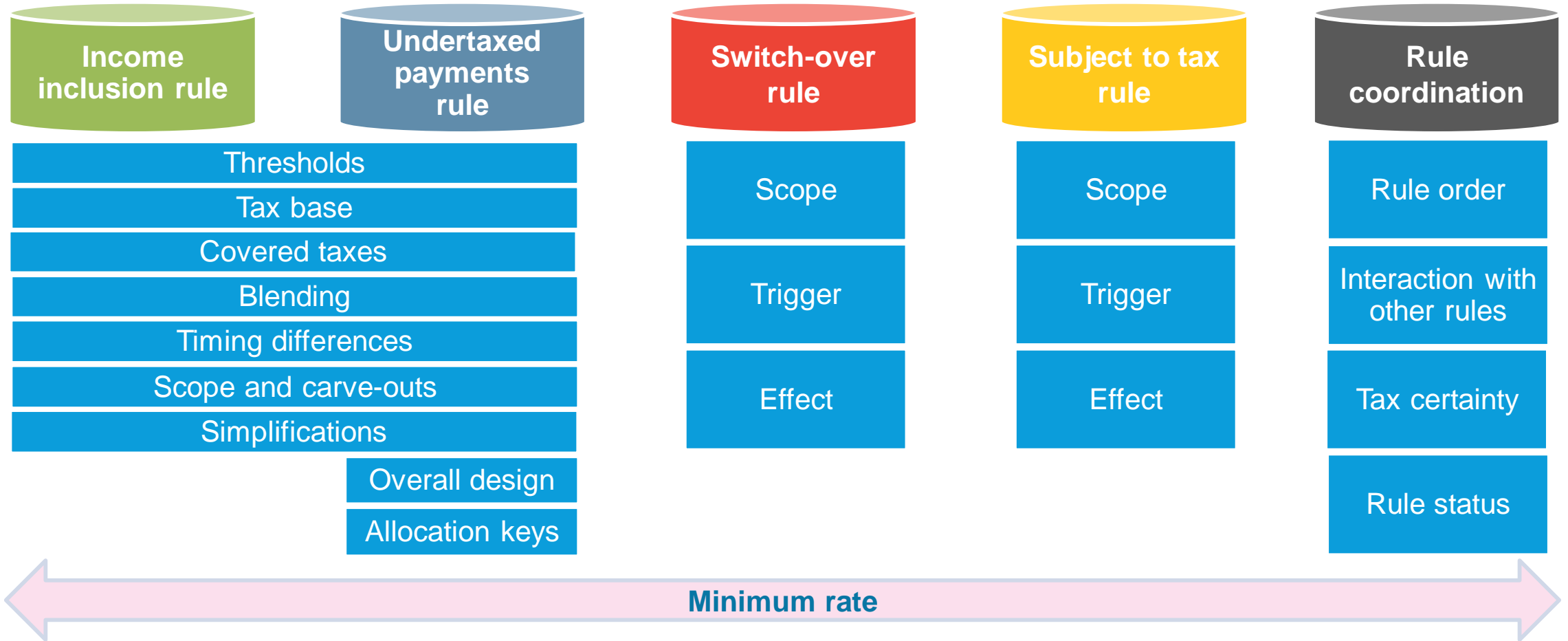
# Part 1

## OECD Work on the Digitalised Economy

# Pillar 1 – Unified approach



# Pillar 2 – GloBE proposal

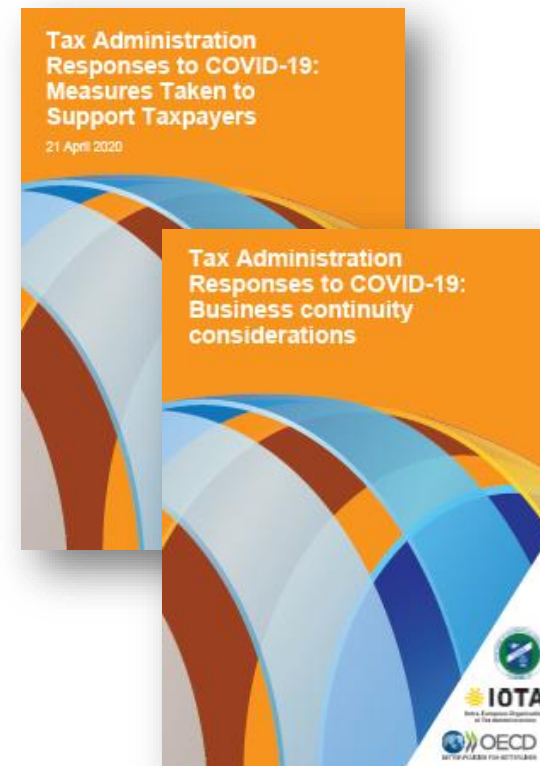


# Part 2

## COVID-19 - Tax Related Issues

# Tax Administration Responses to COVID-19

- **OECD Forum on Tax Administration is supporting tax administrations globally in their responses to COVID-19 through:**
  - Two reference documents (prepared in collaboration with CIAT & IOTA) on:
    - ***Measures to support taxpayers***: Not a compilation of actions but rather sets out some design considerations and tries to categorize support measures and provide examples as food for thought.
    - ***Business continuity considerations***: Illustrates some of the core business continuity considerations which might arise in a pandemic, looking at oversight issues as well as staff and taxpayer related topics.
  - Documents aim at assisting administrations and the considerations described should not be understood as recommendations
  - Hosting virtual meetings bringing together those working on COVID-19 issues to exchange experiences.
  - Supporting developing countries through providing materials, presentations and e-learning.



# Tax Policy Responses to COVID-19

- **OECD Tax Policy Team is tracking measures to:**
  - Inform countries of measures implemented in other countries;
  - Identify trends and formulate country policy advice.
- **Most recent version:** [www.oecd.org/tax/tax-policy/](http://www.oecd.org/tax/tax-policy/)
- **Measures to support**
  - Businesses cash flow, e.g. reductions in employer SSCs; enhanced tax loss provisions;
  - Protect households, e.g. increased access to benefits;
  - Investment and consumption, e.g. instant asset write-off, accelerated depreciation;
  - The healthcare sector, e.g. tax / SSC reductions for health care workers, VAT exemptions.
- **Tax and Fiscal Policy in Response to the Coronavirus Crisis: Strengthening Confidence and Resilience:** [www.oecd.org/tax/tax-policy/](http://www.oecd.org/tax/tax-policy/)
  - OECD Report to the G20 Finance Ministers, delivered in April 2020

# Is There a Need for Multilateral Co-Ordination for Tax Policy?

- **Domestic tax policy measures are generally within the policy responsibility of sovereign nations**
- **However, need to recognise that:**
  - Crisis is a global challenge; and
  - Tax policy decisions of individual countries may have spillovers in other jurisdictions
- **Thus, international co-ordination is important, especially in areas of international tax**
- **Examples:**
  - In relation to ***tax treaties***: COVID-19 has forced a number of people to work remotely or to physically perform their duties outside the country of employment thus raising concerns on the allocation of taxing rights under tax treaties rules
  - In relation to ***transfer pricing***: Countries and businesses requesting additional guidance on transfer pricing issues arising from or exacerbated by COVID-19

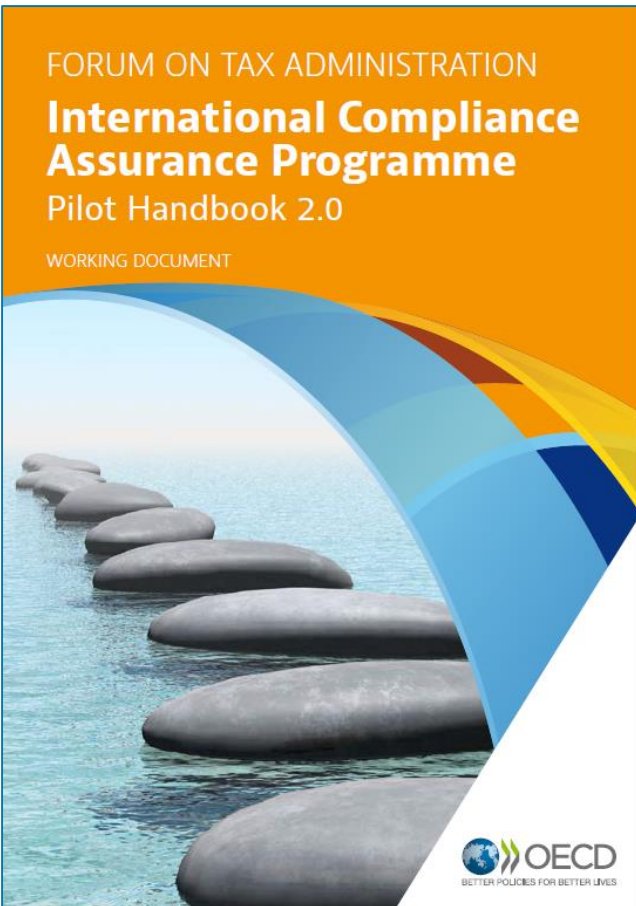
# Impacts on Global Tax Consensus and International Co-Operation

- **While many businesses face unprecedented difficulties, some may see their profits rise**
- **Increased use of digital services and the need to restore public finances can accelerate efforts to reach an agreement on the taxation of the digitalizing economy**
- **Rising pressure on public finances may also put greater emphasis on tackling aggressive tax avoidance and evasion**
- **International tax cooperation will be essential to prevent tax disputes turning into trade wars, harming economic recovery**
- **Improvements to tax compliance and burden reductions will also have impacts on co-operation between tax administrations:**
  - Quicker move towards e-administration
  - Greater emphasis on compliance-by-design solutions

# Part 3

## ICAP

# International Compliance Assurance Programme



- **ICAP is a voluntary programme for open and co-operative multilateral engagements between MNEs and tax administrations**
- **MNEs may obtain comfort over potentially all their TP and PE risk in participating jurisdictions, which may be rolled forward for two further tax years (subject to there being no relevant changes)**
- **A first pilot with 8 tax administrations was completed in 2019**
- **A second pilot (ICAP 2.0) is underway involving 19 administrations**
- **ICAP 2.0 risk assessments commenced in January 2020**
  - Despite Covid-19, most risk assessment are progressing as planned
  - A small number of MNEs have opted to wait until face-to-face meetings can resume.

**Questions?**

# Thank You For Joining Us!

- I hope everyone will join us again at the top of the hour for our first panel session: **Dissecting Pillar 1 and 2 Negotiations at the OECD**
- Please check your email inbox for a reminder with instructions to access the next session.
- The first panel session begins at 9:00 AM EDT (14:00 GMT)