



Papers on Selected Topics in Protecting the Tax Base of Developing Countries

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Transparency and Disclosure

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Draft papers and outlines on selected topics in protecting tax base of developing countries, are preliminary documents for circulation at the workshop on “Tax base protection for developing countries” (New York, 4 June 2014) to stimulate discussion and critical comments. The views and opinions expressed herein are those of the authors and do not necessarily reflect those of the United Nations Secretariat. The designations and terminology employed may not conform to United Nations practice and do not imply the expression of any opinion whatsoever on the part of the Organization.

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PROTECTING THE TAX BASE OF DEVELOPING COUNTRIES: TRANSPARENCY AND DISCLOSURE

OUTLINE

INTRODUCTION

- x Link to OECD BEPS
- x Importance of Transparency and Disclosure in Protecting the Tax Base
 - o In relation to tax evasion
 - o In relation to tax avoidance
- x Relevant Provisions and Mechanisms
 - o Information Exchange Article 26 in UN and OECD Model Treaties
 - o Tax Information Exchange Agreements
 - o Multilateral Convention on Mutual Assistance
 - o IGAs (Intergovernmental Agreements)
 - o Regional Agreements
- x New Developments
 - o Country by Country Reporting
 - o Common Reporting Standard (CRS) or exchange of information
- x Support from various international bodies (including G 8, G 20, EU, etc)
- x General Issues
 - o Type of information
 - o Taxpayer burden
 - o Delivery mechanism
 - o Technology and infrastructure
 - o Distribution of information
 - o Uses of information
 - o Ability to use information
 - o Data protection and privacy

THE UN MODEL CONVENTION ARTICLE 26 EXCHANGE OF INFORMATION

- x Purpose
- x Scope
- x Operation
 - o Requests
 - o Information covered
 - o Taxpayers covered
 - o Purposes and use
 - o Exchange mechanism
- x Relation to OECD Model

TAX INFORMATION EXCHANGE AGREEMENTS

- x Model
- x Scope
- x Terms
- x Current Status
- x Comparison to Article 26 of UN Model

REGIONAL AGREEMENTS

- x Examples
- x Scope

MULTILATERAL CONVENTION ON MUTUAL ADMINISTRATIVE ASSISTANCE IN TAX MATTERS

- x Origins and goals
- x Scope and Amendments
- x Current status
- x Comparison to Article 26 of UN Model

INTERGOVERNMENTAL AGREEMENTS (IGAs)

- x Origins and goals

- x Scope
- x Terms
- x Current status
- x Comparison to Article 26 of UN Model

COUNTRY BY COUNTRY REPORTING

- x Basic description
- x Overview of OECD and EU roles
- x OECD
 - o BEPs
 - o Issues burden, purposes (high level risk assessment, assist with transfer pricing, other), format (entity based, aggregate country, amount and nature of information), template flexibility, access to different parts of data, public disclosure, usefulness of information, data protection and privacy, mechanism for reporting and sharing, relationship to work on transfer pricing including transfer pricing documentation
 - o Template
 - o Support from other bodies
 - o Status
- x EU: history and current status
- x Significance for developing countries

COMMON REPORTING STANDARDS FOR AUTOMATIC EXCHANGE OF INFORMATION

- x Concept, purpose and origins
- x Relevance of FATCA and IGAs
- x Content
- x Current status

GLOBAL FORUM TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

- x Purpose

- x Structure and Operations
- x Relationship to Treaties, Agreements, Country by Country Reporting, Common Reporting Standard

OVERVIEW ISSUES FOR DEVELOPING COUNTRIES

- x Challenges in using above mechanisms to protect tax base
 - o Domestic infrastructure issues
 - f* Legal
 - f* Resources
 - o Completed agreements
 - o Shared vision
- x Tax competition and protection of the tax base
- x Other: _____

CONCLUSION