

news and developments

in the field of tax and development since spring 2011



international tax compact

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Developments at the International Level

G20 Cannes Summit on Financial Markets and the World Economy

Following the Seoul Summit in 2010, the G20 came together in Cannes from 3-4 November, 2011, to discuss and agree on concrete actions for stabilising financial markets and promoting sustainable growth of the world economy. With regard to Pillar 8 of the Seoul Summit's Multi-Year Action Plan on Development, which focuses on Domestic Resource Mobilization (DRM), the G20 had requested the OECD, UN, IMF, and World Bank together with regional organizations such as the African Tax Administration Forum (ATAF) and the Inter-American Center of Tax Administrations (CIAT, for its Spanish acronym) to support the development of more effective tax systems.

The recommendations which fed into the Cannes Summit focus on how the G20 can contribute to strengthening the enabling environment in which tax systems can be developed, building on the extensive work that has already been done by multilateral institutions and bilateral donors. The proposed actions aim at (i) deepening international cooperation and strengthening long-term support to developing countries to help them mobilise domestic tax resources fairly and effectively; (ii) requiring Multi-national Enterprises to improve tax transparency and compliance in developing countries and place good tax compliance more firmly at the centre of their corporate governance and risk assessment systems; and (iii) working with developing countries to track results from their own revenue raising efforts and the efforts of their international partners.

Dealing with tax havens and non-cooperative jurisdictions were other critical issues addressed at the Cannes Summit. There has been progress in three areas in particular: in the tax area, the Global Forum now counts 105 members.

More than 700 information exchange agreements have been signed and the Global Forum is currently leading an extensive peer review process of the legal framework (Phase 1) and implementation of standards (Phase 2). In the prudential area, the Financial Stability Board (FSB) has led a process and published a statement to evaluate adherence to internationally agreed information exchange and cooperation standards.

Finally, in the area of combating money laundering and the financing of terrorism, the Financial Action Task Force (FATF) has recently published an updated list of jurisdictions with strategic deficiencies. The Cannes Summit Final Declaration emphasises that the G20 will intensify its efforts to protect public finances and the global financial system from the risks posed by tax havens and non-cooperative jurisdictions.

The Cannes Summit Final Declaration can be accessed at:

www.g20-g8.com/g8-g20/g20/english/for-the-press/news-releases/cannes-summit-final-declaration.1557.html



ITC Workshop “How to Operationalise the International Tax and Development Agenda”

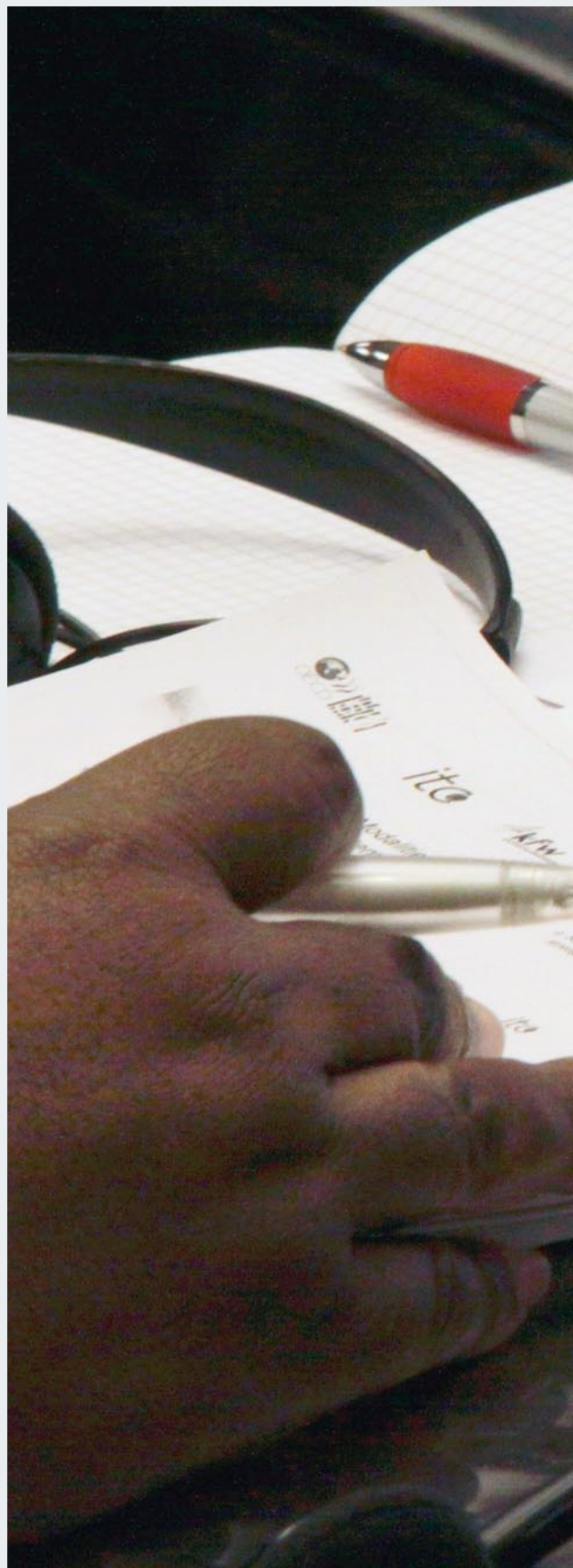
The German Federal Ministry for Economic Cooperation and Development (BMZ) together with the French Ministry for Foreign and European Affairs, the Spanish Ministry for Foreign Affairs and Cooperation and the European Commission successfully carried out this year's ITC Workshop “How to Operationalise the International Tax and Development Agenda”, from 12-14 September, in Bonn. The workshop, which was divided into a governmental part and a “Dialogue Event with Civil Society and the Private Sector”, concentrated on interaction and sharing knowledge among participants by creating an open space for reciprocal learning and informal discussion.

In total, the workshop brought together almost 120 participants from 33 partner countries and numerous international and regional organisations. The majority of participants were representatives of national tax authorities and ministries of finance from countries in the global South, including high-ranking politicians. Focusing on the demands and expectations of ITC

partners from developing countries, the workshop disseminated good practices for enhanced South-South cooperation and stronger development coordination in tax matters at the national and regional levels. A key concern of the workshop was to encourage further concrete cooperation projects and analytical work among ITC partners, especially at the national level. Participants had the opportunity to discuss ongoing studies as well as other relevant approaches to making the international tax and development agenda operational and planning the next steps for implementation in the field of development cooperation. The workshop brought together the expertise and experience of the ITC and its partners. Relevant proposals emerging from this year's workshop have been summarised in a workshop communiqué. The ITC and its partners are now in the process of feeding this knowledge into the international tax and development agenda, including processes within the framework of G-20 and OECD approaches.

The communiqué together with presentations, conference papers, and documentation of the workshop can be downloaded at:

[www.taxcompact.net/activities-events/
Workshop-Bonn_September-2011.html](http://www.taxcompact.net/activities-events/Workshop-Bonn_September-2011.html)



7th Annual Session of the UN Committee of Experts on International Cooperation in Tax Matters

The “UN Tax Committee” held its 7th Annual Session in Geneva in October 2011. A key issue during the session was to complete the update of the “UN Model Double Taxation Convention between Developed and Developing Countries” as a new version of the framework is to be finalised and published by early 2012. Another main concern was the publication of the “Practical Manual on Transfer Pricing for Developing Countries”. The manual, which is designed to support developing countries in applying the arm’s length principle, is in its final stage and scheduled to be completed in 2012. Other important topics discussed by the Committee were: (i) tax treatment of services; (ii) taxation of development projects; (iii) tax cooperation related to major environmental issues, particularly climate change; and (iv) revision of the “Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries”.

For more information please visit the Committee’s website at:

www.un.org/esa/ffd/tax/

UN-DESA's New Capacity Development Strategy Incorporates Fiscal Policy and International Tax Cooperation as One of its Priority Areas

The UN Department of Social and Economic Affairs (UN-DESA) has recently finalised its new capacity development strategy, which identifies fiscal policy and international tax cooperation as one of the priority areas. Starting in 2012 UN-DESA will organise training seminars and provide technical advice in the area of transfer pricing (TP) as well as the implementation and interpretation of treaties based on the UN Model Double Taxation Convention. These activities will be funded under the UN Regular Programme of Technical Cooperation. Besides putting in place a regular programme of technical cooperation, funding will include the employment of an Inter-regional Advisor (IRA). A temporary advisor, who will occupy the position until the recruitment of the official candidate, is currently being selected.

UN-ECOSOC Intensifies its Engagement in the Field of Taxation and Development

During its spring session 2011 in New York, the UN Economic and Social Council (UN-ECOSOC) discussed possible ways of strengthening the work of the UN Tax Committee in its current format. To this end, UN-ECOSOC requested the Secretary-General to submit to the Council a report on the role and work of the Committee in promoting international cooperation in tax matters, including further options for strengthening the work of the Committee and its cooperation with concerned multilateral bodies and relevant regional and sub-regional organisations.

UN-ECOSOC also decided to hold a one-day meeting in spring 2012 in order to consider international cooperation in tax matters together with national tax authorities. The topic of institutional arrangements for the promotion of such cooperation will be of particular interest to the meeting. The event will take place in conjunction with the Council's special high-level meeting in March 2012, which will include the Bretton Woods Institutions, the World Trade Organization (WTO) and UN Conference on Trade and Development (UN-CTAD).

Selected Activities at Regional and National Level

Six Months after Launching the IMF's Tax Policy and Administration Topical Trust Fund

On 3rd November 2011, the Steering Committee (SC) of the IMF Tax Policy and Administration Topical Trust Fund (TPA-TTF) – chaired by Hans Wollny, representative of the BMZ – met for the second time since its meeting in April. At the latest meeting in Paris the SC discussed the progress made in the fund's first six months. Following strong support at the December 2010 donor pledging session in Washington, the SC had approved a work plan for the fund in April 2011. Now the fund has launched activities for both its working priority areas: country programmes and research.

Projects are currently being prepared for 12 countries (Burkina Faso, Guinea-Bissau, Liberia, Mauritania, Senegal, Swaziland in Africa; Kyrgyz Republic, West Bank and Gaza in the Middle East and Central Asia; Bangladesh and Nepal in Asia Pacific; and Bolivia and Haiti in the Western Hemisphere). As the main providers of technical assistance under the trust fund, efforts to launch the fund's activities have been led by the IMF Fiscal Affairs Department's Revenue Administration Division and Tax Policy Division.

An intensive programme under the trust fund until end-April 2012 includes 15 headquarters-led missions – four dealing with the tax policy module and 11 dealing with one or more tax administration modules – and 44 short expert assignments. The work programme is now underway, with five missions already delivered and many expert visits on track. The efforts this year also lay a foundation for longer-term engagement in partner countries. In most countries, activities are planned over a period of two or three



years, and in others over a period of five years, covering the entire first phase of the trust fund. Substantial work has, for example, already started in Liberia, which is expected to be an intensive beneficiary over the next several years.

With regard to the second priority area of IMF's TPA-TTF, the SC has endorsed a research programme which covers benchmarking tax administration performance and reform progress. In a first step, 39 low and low-middle income countries will be benchmarked using a standardised data gathering instrument. The initial work aims to achieve three outcomes: (i) a standardised data gathering instrument that helps assemble consistent cross country information; (ii) building a data-base of key tax administration performance indicators; and (iii) a baseline of information that will help develop benchmarking.

For further information on the fund please visit:

www.imf.org/external/np/sec/pr/2011/pr11133.htm



World Bank Group Transfer Pricing Training for the Revenue Service of Thailand

In 3-7 October, 2011 the World Bank Group in partnership with the Italian Revenue Agency provided TP training for officials from the Thai Revenue Service. The week-long training event took place at the Thai Revenue Authority's offices in Bangkok, with over two dozen officials from across Thailand attending. The introductory training covered the topics of legislation, administrative practice, fundamentals of TP, treaty issues (permanent establishments and attribution of profits), business restructuring, intangibles and Advance Pricing Agreements (APA). The training was highly interactive, with a number of case studies in the course of the week.

Global Forum to Launch Technical Assistance Projects in Ghana and Kenya

Ghana and Kenya will be the beneficiaries of the decision by the Global Forum on Transparency and Exchange of Information to launch two pilot projects providing in-depth technical assistance.

The two-year projects, which also involve the World Bank, will focus on implementing the international standards on tax transparency and information exchange, preparing for the Global Forum's peer review process, and ensuring that both countries can benefit from the more transparent international tax environment to raise domestic resources and improve tax compliance.

The Global Forum will provide advice and training to Ghana and Kenya aimed at updating their legal and regulatory frameworks and developing administrative processes for best practice on information exchange.

The Global Forum is working with the World Bank to provide the assistance needed, and the projects will benefit from the Bank's continued presence on the ground in both Ghana and Kenya.

The UK Department for International Development is providing essential financial backing through the OECD Tax and Development programme, making it possible for the Global Forum to launch these pilots.

In addition to the peer review preparation seminars already provided by the Global Forum Secretariat to more than 45 jurisdictions, these pilot projects are the Forum's first in-depth and tailored programme of technical assistance on tax information exchange.



They complement the existing program of advisory services that the Global Forum provides to all its members in the course of their Peer Reviews.

The projects are a key step towards implementing the G20's mandate of ensuring that the benefits of improved international transparency are felt by all, particularly developing countries.

CIAT Network on Study Areas and Tax Research

Through its Network on Study Areas and Tax Research, CIAT promotes discussion in tax policy and administration issues. Under the title "Reform Possibilities in the Design and Management of Personal Income Tax (PIT) in Latin America", CIAT held the second Meeting of its Network on Study Areas and Tax Research from 13-15 September, 2011 in Bogota, Colombia. The event was realized with the support of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, the Colombian Tax and Customs Authority (DIAN for its Spanish acronym) and the Inter-American Development Bank (IDB).

While the first meeting was dedicated to the discussion of Micro-simulation Methods for Policy Analysis, this year's meeting concentrated on PIT design, management, best practices, and challenges and limitations that tax administrations face while trying to achieve better control of PITs. Overall, the activity enriched and strengthened the network's activities agenda for 2011-2012, further improving the support CIAT offers to its member countries.

For further information on the network please visit:

www.ciat.org/index.php/en/international-cooperation/international-activities/seminars-workshops/897.html

ATAF is Forming its Profile as Institutional Body and Service Provider

The African Tax Administration Forum (ATAF) held its first General Assembly in Balaclava, Mauritius, from 25-27 July. Among other issues, the meeting focused on illicit financial flows, tax evasion and tax avoidance. Prior to the meeting, the ATAF Chair, Oupa Magashula, expressed his satisfaction with the progress made by this young organization, stating that: 'African revenue bodies have responded very well to the formation of ATAF'. Participants at the meeting agreed that ATAF was already making a huge impact not only in Africa but internationally as well through various policy and technical interventions.

In view of the strong demand for capacity building among its member states, ATAF, in cooperation with the OECD, has organised various technical events. Recent activities comprise a Technical Event on Exchange of Information hosted by the Nigerian Federal Inland Revenue Services, a Seminar on Communications for African Revenue Administrations hosted by the Ghana Revenue Authority and a Technical Event on Transfer Pricing hosted by the Rwanda Revenue Authority. ATAF intends to further strengthen the capacity building offered and technical assistance provided to member states. To be able to provide tailored support to ATAF member countries, the ATAF Secretariat in cooperation with the GIZ Project Support to ATAF and with funding from ATAFs Pooled Donor Fund has started work on two major



research activities: (i) a diagnostic research project that will collaborate with the International Tax Dialogue (ITD) to collect and analyse data on key result areas for an assessment of the current state of African tax administrations; and (ii) a research project evaluating the conditions and needs of revenue authorities in different African regions to identify the major topics and priorities of tax administration reform, and to obtain an in-depth view of the areas of current demand.

Additionally, ATAF is working towards establishing an African Tax Centre as a capacity building institution for ATAF's member states. Further important upcoming initiatives include the formation of a working group on indirect taxes and the establishment of a global database of tax experts to support tax administration reform in Africa.

For more information on the various projects, programmes and general member information, as well as news on African tax administrations, please visit ATAF's website at:

www.ataftax.net



IBFD's Engagement in Asia

As part of its ongoing commitment to the development of international tax education in the Asian region the IBFD has in recent years organised and hosted two key events via its regional office in Malaysia: the Asian Tax Authorities Symposium (ATAS), and its Tax Lecture Series in Beijing.

ATAS' main focus is to build and develop public governance capacities for fair and more efficient tax administrations and policies. For this purpose, the symposium aims at facilitating the sharing of knowledge and increasing awareness among Asian tax administrations and tax policy makers regarding critical issues in the field of domestic and international taxation, particularly with a view to the increasing globalisation of economic activities. ATAS' unique feature is that it brings together both tax administrators and fiscal policy makers, creating a common space for finding solutions that reflect the realities, needs and priorities of the respective countries in a comprehensive manner. The next ATAS will be held in mid-2012. The IBFD Tax Lecture

Series in China is a series of six tax lectures to be held in Beijing and is aimed at promoting and developing international tax knowledge within the Asian region. Each lecture is presented by a renowned tax expert on relevant and topical issues relating to international taxation, but specifically tailored for the Chinese perspective. The next Tax Lecture Series in Beijing is scheduled for 5 December 2011.

Besides organising tax technical events, IBFD has been providing technical assistance to various administrations in the region – for example in Bhutan, where a high-level review of the tax legislation is being conducted in order to identify possible amendments and broaden the tax base.

For further information on IBFD events and technical assistance in Asia-Pacific, please contact the IBFD via email:

ibfdasia@ibfd.org



Launch of the OFILAC Website

Today, the UN-Economic Commission for Latin America and the Caribbean (UN-ECLAC) is coordinating the launching of the website “Fiscal Observatory for Latin America and the Caribbean” (OFILAC). Key actors participating in the project include, among others, CIAT, the Spanish Agency for International Development Cooperation (AECID for its Spanish acronym), the OECD, and GIZ.

The website will facilitate access to information and other content relevant to the field of fiscal policy. It is conceptualised as a platform which contributes to the improvement of fiscal policy through disseminating research and promoting dialogue between different actors.

The launch of the website is scheduled for the first quarter of 2012. For further information please contact:

ofilac@cepal.org

Regional Exchange Seminar "Taxation of Large Businesses – Transfer Pricing"

GIZ in collaboration with CIAT, and the OECD carried out a regional seminar in Lima, Peru, from 21-23 November, with the participation of Venezuela, Colombia, Ecuador, Peru, Chile, Uruguay, Brazil, Mexico, Germany and Spain.

With reference to the financial control of multinational corporations, main topics of the seminar comprised transparency, the arm's length principle and its application in Latin America. Furthermore, the seminar focused on the exchange of professional experience between tax administrations and ministries of finance in the region, as well as with Germany, Spain and other OECD member states. The seminar also provided a space for discussing best and bad practices with representatives of German enterprises taxed by SUNAT, the national supervisory agency for tax administration in Peru. In doing so, the seminar promoted the dialogue between the public and private sector.

For further information on the seminar please contact:

Joerg.Wisner@giz.de



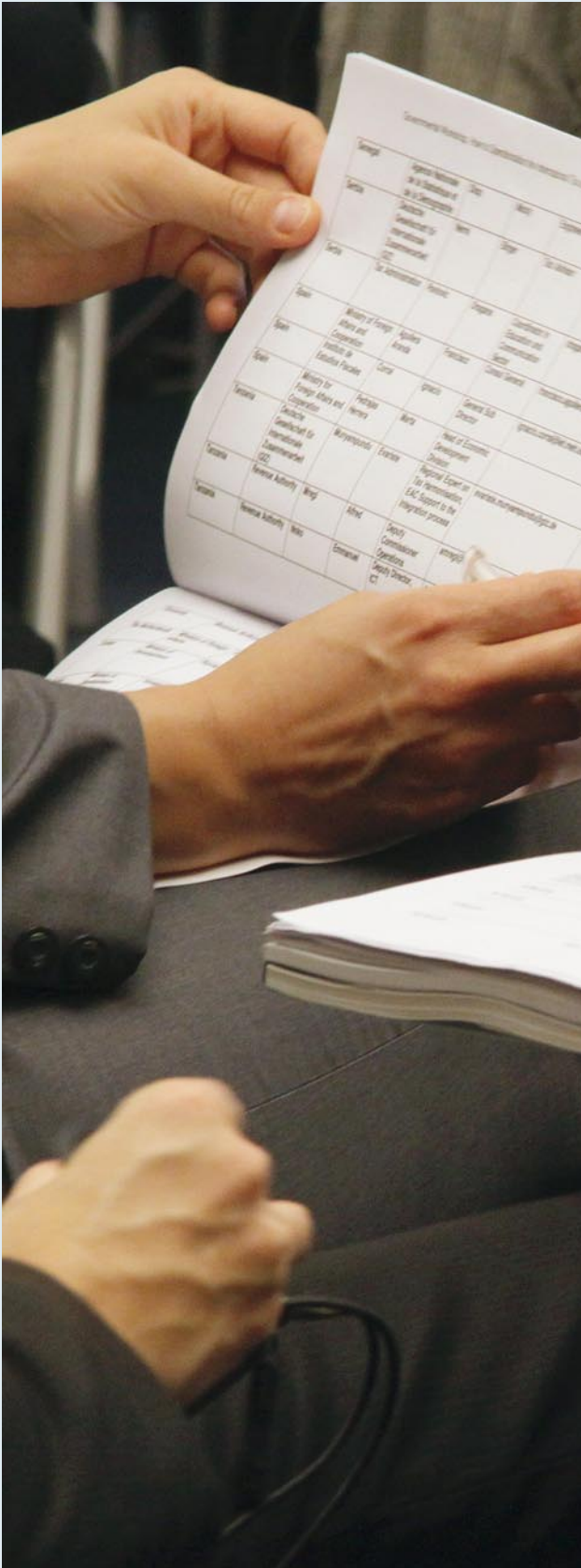
Promoting Fair Taxation in Africa

Civil society organisations (CSO) can make active contributions to the design of fair tax systems. When citizens become more aware of their rights and responsibilities as tax payers, public scrutiny over revenue collection increases. In Africa, CSOs have expressed a need for further capacity development in the domain of tax advocacy. In view of this situation, Oxfam and Tax Justice Network-Africa have developed a project called “Capacity for Research and Advocacy for Fair Taxation” (CRAFT). The project aims to strengthen CSOs to advocate for transparent and redistributive tax systems through research, training, policy advocacy, civic education, and (global) alliance building. Countries include Uganda, Mali, Senegal, Mozambique and Egypt. The ITC is supporting the 3rd stakeholder meeting in Mombasa, Kenya, from 8-9 December, 2011.

For further information on the CRAFT project, please contact:

paul.groenewegen@oxfamnovib.nl

Analytical Work and Studies



UN-ECLAC Carries out a Series of Studies on Fiscal Policy, Social Equity and Macro Sustainability

UN-ECLAC with the help of GIZ has carried out seven country studies (Argentina, Chile, Ecuador, El Salvador, Guatemala, Mexico and Peru) which focus on three elements that are essential to developing a tax policy that improves equity: the level of revenue, the tax structure and the degree of income tax compliance. As a continuation of these documents, UN-ECLAC is now conducting a study which analyses the state of personal income tax, its importance in tax structures, distributional effects, factors limiting its growth, and the possibilities of this tax to generate new resources.

Other areas of interest in which UN-ECLAC is currently conducting research are tax regimes for non-renewable natural resources, the allocation of these rents between levels of government, and improving financing of sub-national governments in Latin America.

In addition to these activities, UN-ECLAC together with CIAT and OECD has developed a joint publication called "Revenue Statistics in Latin America" in order to improve and homogenise data on tax revenues. The document presents detailed, internationally comparable data on tax revenues for 12 Latin American economies.

For further information on UN-ECLAC's recent research activities and publications please visit:

www.cepal.org/de/default.asp?idioma=IN#

CIAT's Research Engagement

For laying foundations and guiding future technical assistance, CIAT, with the support of IDB and the IMF Technical Assistance Centre for Central America, Panama, and the Dominican Republic (IMF-CAPTAC-DR), is currently conducting a diagnosis of the tax administrations of member countries, starting with Latin America.

CIAT has also recently released a Handbook of Best Practices on Tax Expenditure Measurements and is now preparing a comparative study on the effective tax burden on investment for a sample of Latin American countries. Through specific working groups, this work is directly supported by delegates from tax authorities.

Within the framework of the “Collaboration Programme ITC / GIZ / CIAT for the Development of the Tax Administrations of Latin America and the Caribbean”, CIAT is also in carrying out a series of comparative studies over a one-year period. This will include a high-level study on key financial activities in Latin America and their taxation, as well as the main risks of evasion, avoidance and fraud in the Latin American financial sector. Two more studies will address the problem of tax evasion and avoidance, a “Comparative Study on Legislation to Prevent the Manipulation of Transfer Pricing in Latin America” and a “Comparative Study on Methodologies and Measurements of Tax Evasion in the Income Tax”.

Finally, the programme establishes a framework for a “Study on the Impact of the Conventions of Double Taxation in the Attraction of Foreign Direct Invest-



ment”. CIAT together with the ITC and GIZ has planned a study that allows governments of Latin American countries and the Caribbean to determine the impact of tax treaties in promoting foreign investment. As a contribution to the capacity of the region's governments to make informed decisions, such knowledge will have great value for the CIAT community.

Besides its active engagement in research, the organisation also manages one of the largest specialist databases on tax related matters in the region, with a virtual library which includes models, manuals, reviews, monographs, research documents, statistics and comparative series.

For further information on CIAT's research activities, visit the organisation's website at:

www.ciat.org/

World Bank Group Toolkit on Transfer Pricing for Developing Countries

The World Bank Group is currently in the process of preparing a toolkit titled "International Transfer Pricing and Developing Economies – From Implementation to Application". The purpose of the toolkit is to provide policy makers in developing countries with a framework to assist them in identifying and addressing key issues relating to the design and implementation of an effective TP regime.

The toolkit will include practical experience and examples provided by officials in developing countries. It will also discuss the need for simple, predictable, and transparent approaches that have the dual goal of minimising unnecessary burden on business while also ensuring that administrative practices are commensurate with the capacity and resources of developing countries. The draft version of the toolkit will be shared for comment with peer reviewers from the international tax community. The toolkit is the latest publication initiative of the Global Tax Simplification Team of the World Bank Group, which in recent years has prepared other works including the "Handbook for Tax Simplification":

www.fias.net/uploads/FIAS-HTSfinal.pdf

and "Designing a Tax System for Micro and Small Businesses: A Guide for Practitioners":

www.fias.net/uploads/SME%20Tax%20Toolkit.pdf

European Commission Publishes Study on Transfer Pricing and Developing Countries

The European Commission has financed a study on "Transfer Pricing and Developing Countries" which was completed in July 2011. The study presents recommendations on suitable and innovative approaches for supporting developing countries in the adoption and implementation of OECD TP guidelines.

The study by PricewaterhouseCoopers analyses the current TP situation in four pilot countries (Ghana, Honduras, Kenya, and Vietnam) and makes recommendations for general and country specific donor support. Recommendations for future donor support to developing countries focus on assistance needs in four specific areas: (i) treaty networks, (ii) local comparables, (iii) TP expertise and control mechanisms, and (iv) auditing. The ITC organized a process of reference group workshops, enriching the study with perspectives of the international community on central issues in the area of TP.

As a follow up to the study, the Commission will support capacity building in the area of TP in several pilot countries in which the research was conducted as well as in other selected developing countries. In addition, a joint initiative has been launched by the Commission, the OECD and the World Bank with the purpose of enhancing the TP capabilities of developing countries. The Study is available at the European Commission's website:

ec.europa.eu/europeaid/what/economic-support/taxation/index_en.htm

Study on “Mapping International Support to Taxation”

This paper was commissioned by the ITC Secretariat in collaboration with the ITD with the main objective of offering an overview of existing, publicly available sources of information that could help to map out international support to taxation at aggregate level on a regular basis. Building on the mapping survey by the ITC in 2010, which provided a detailed picture of many donor activities in the field of taxation and development as well as an aggregated picture, this study offers an analysis of existing publicly available sources of information that can be used to map out longer-term international support to taxation at an aggregate level. The study (a) identifies sources for aggregated data analysis, (b) looks at particular demand for aggregated analysis from a donor’s and partner country’s perspective, (c) examines the gaps between existing information and demand, and (d) makes recommendations for narrowing this gap.

The study concludes that the most cost-effective means of obtaining up-to-date information in the short term is the restructuring and expansion of the two databases gathering data on taxation, namely the OECD Development Assistance Committee (DAC) Creditor Reporting System (CRS) Aid Activity Database and the ITD Technical Assistance Database.

The study can be downloaded from the ITC homepage at:

www.taxcompact.net/documents.html

Study on “Appropriate Aid Modalities for Supporting Tax Systems”

Through the German Development Bank (KfW) and the OECD, the ITC recently presented a “Study on Appropriate Aid Modalities for Supporting Tax Systems” at the ITC Workshop in Bonn. The study, written by Bruce Bolnick from Nathan Associates, takes a governance-focused tax reform agenda as its starting point, and assesses the role of various aid modalities for improving tax systems in developing countries.

Among the modalities discussed are budget support, joint instruments (such as basket funding or trust funds), bilateral project and programme interventions, and in-kind support. Specific recommendations for improving the effectiveness of each modality discussed are given at the end of each section.

The study also identifies several cross-cutting issues relevant for all aid modalities, for instance diagnostic tools to assess and compare the performances of different tax systems and the use of appropriate indicators.

Findings from the study will feed into the development of “Tax Principles for International Engagement in Supporting Developing Countries in Tax Matters” a process recently launched by the OECD Govnet.

The study is available at the ITC website:

www.taxcompact.net/documents.html



Financial Secrecy Index 2011 Launched

Kickbacks, money from criminal activity and tax-evading assets from developing countries are usually not stashed in home country bank accounts, but often invested in western countries' financial institutions. Against this background, the Tax Justice Network and Christian Aid launched, for the second time, their Financial Secrecy Index (FSI) in October 2011. The index is a tool intended to complement the more established "Corruption Perceptions Index" of Transparency International by focusing on the supply side of "corruption services", such as the handling of dirty money. The FSI measures the contribution each of the 73 reviewed countries is making to the facilitation of illicit financial flows.

The index, including the methodology and an extensive database with all the underlying data, can be accessed via

www.financialsecrecyindex.com/

DIE Workshop on "Mobilising Domestic Revenue in Developing Countries"

On 1 December 2011, the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) is hosting a one-day workshop on the topic: "Mobilising Domestic Revenue in Developing Countries". The workshop intended to kick off the activities of a larger research project financed by the policy planning unit of the BMZ. Bringing together leading academics in the field as well as representatives from BMZ, GIZ, KfW, and international organisations, such as OECD and IMF, the main objective of the meeting was to share and discuss results of the institute's ongoing work on taxation issues as well as forthcoming projects in this field.

Current research topics presented by the DIE comprised: (i) political economy of taxation and tax reform: an elite-based rational choice approach; (ii) regime change and taxation; (iii) regional patterns in tax performance; and (iv) tax collection in developing countries – new evidence on semi-autonomous revenue agencies (SARAs) in Peru. Papers presented at the workshop can be downloaded at:

www.die-gdi.de

For further information on DIE's research activities in the field of taxation and development please contact Armin von Schiller at:

armin.schiller@die-gdi.de

Dialogue and Conferences



ATAF Side Event in Busan

Within the framework of the 4th High-Level Forum on Aid Effectiveness in Busan, Korea from 29 November to 1 December 2011, ATAF, in cooperation with the OECD Development Assistance Committee and the BMZ held a side event on the theme “Domestic Resource Mobilisation, Taxation and Development: Implications for the Aid Effectiveness Agenda”. The event had been officially accepted by the organisers as part of the Busan programme. The high-level panel discussion focused on how tax can promote sustainable development and presented the case for more aid to be directed to supporting public financial institutions, including tax administrations, in developing countries. Key issues discussed by the panel comprised, among others, the question of how to improve donor coordination in the field of taxation and development, necessary conditions for partner countries for gradually decreasing aid dependency and increasing domestic revenues and the need for joint action by donors and partner countries to fight international tax evasion and tax havens.

ITD Global Conference “Tax and Inequality”

In cooperation with the ITD, India hosted the 4th ITD Global Conference on “Tax and Inequality” from 7-9 December, 2011, in New Delhi. The conference focused on the question of how far taxation can be seen as part of the solution to growing inequalities in income and wealth. Particular issues addressed by the conference included:

- Design of growth-enhancing and equitable tax systems
- Administrative challenges, issues and solutions for fair tax systems
- Income taxes, progressivity and inequality across regions
- Fair tax systems: vital for state-building and an exit from aid dependency
- Informality, inequality and the role of tax systems
- Gender friendly tax systems and inequality
- Taxation of elites and inequality

The conference was attended by over 350 participants from 90 countries including prominent academics, high-ranking politicians and high-level representatives from various regional and international organisations. The use of plenary and parallel sessions with active country participation allowed a peer dialogue between Ministers of Finance and Heads of Revenue Administration around the world. Conference papers and presentations along with further information on the conference can be downloaded at the event’s website:

[www.itdweb.org/TaxInequalityConference/
Pages/Home.aspx](http://www.itdweb.org/TaxInequalityConference/Pages/Home.aspx)

Annual Conference of the Task Force on Financial Integrity and Economic Development “Tackling the Shadow Financial System: A Working Plan for the G20”

From October 6-7, 2011, the Task Force on Financial Integrity and Economic Development held its annual two-day conference in Paris, building upon its success in recent years in establishing an awareness and understanding of the problem of illicit financial flows and the importance of increasing transparency in the global financial system. During the two-day conference, representatives from CSOs and governments, policy makers, academics and journalists participated in panels and break-out sessions on the necessity of achieving greater transparency and accountability in the global financial system.

Based on its five recommendations for achieving greater transparency in the global financial system – beneficial ownership disclosure, automatic tax information exchange, trade mispricing curtailment, country-by-country reporting by multinational corporations, and better anti-money-laundering laws – the Task Force elaborated a working plan and a conference communiqué for the G20 taking into account obstacles and logistics of implementation.

The Task Force on Financial Integrity and Economic Development is a unique global coalition of CSOs and more than 50 governments which work together to address inequalities in the financial system.

More information is available at:

www.financialtaskforce.org

Global Forum on Transparency and Exchange of Information for Tax Purposes organises Technical Assistance Seminar in Durban

At its Singapore meeting in September 2010, the Global Forum agreed to coordinate technical assistance to its members, as an increasing number of international organisations is committed to delivering technical assistance programmes on the highly sensitive issue of exchange of information. The last Technical Assistance Seminar, organised by the Global Forum Secretariat together with the South African Revenue Service (SARS), took place in Durban from 7-9 June, 2011. The seminar aimed at increasing the understanding of partner countries' jurisdictions regarding the requirements for preparing a peer review, assessing implications of complying

with the international standards and learning more about sources and types of assistance available to implement the standards.

The seminar revealed that many member countries of the Global Forum need further assistance, for example with implementing the peer reviews' recommendations, preparing peer reviews, developing and implementing adequate tax laws and guidelines, and training staff. In order to meet the immense assistance needs of partner countries in tax matters, it will be crucial to create synergies between existing initiatives and to strengthen cooperation with international organisations. For further information on events and activities of the Global Forum please visit:

www.oecd.org/site/0,3407,en_21571361_43854757_1_1_1_1_1,00.html

