



**TAX EXECUTIVES INSTITUTE, INC.**

*the preeminent association of business tax professionals*

[www.tei.org](http://www.tei.org)

A large, semi-transparent globe with a grid of latitude and longitude lines, centered on the Indian subcontinent, serves as the background for the main title.

# Tax Executives Institute: Overview and Case Study on BEPS and Stakeholder Advocacy

Foundation for International Taxation

Mumbai, India

December 1, 2016



## Agenda

- Introductions
- TEI – Origins, Structure & Core Objectives
- The Value Proposition
- TEI's Advocacy Role
- BEPS – A Case Study



## Our Panelists

- Janice Lucchesi, TEI International President
- Clive Baxter, TEI Member and former Regional Vice President for EMEA (Europe, Middle East & Africa)
- Eli Dicker, TEI Executive Director



## Serving the In-House Tax Community

- Founded in 1944
- Started by fifteen tax executives in New York City
- Factors inspiring TEI's formation
  - Tax profession is inherently difficult
  - Individuals accomplish more collectively than on their own
  - Expectations of post-war growth



## Participants in the Global System of Business Taxation

- Taxpayers
- Taxing Authorities (policy, regulatory, administrative oversight and enforcement)
- Tax Advisors
- Other (NGOs, OECD, UN)



## WHAT WE DO







## How We Do It

- 56 chapters around the world
- 7,000+ individual members employed by 3,000 of the largest business enterprises
- Chapter network represents the lifeblood of TEI, led by local volunteer leadership
- Professional staff of 20 located in Washington, D.C., provide legal, advocacy, membership and logistical support
- Network of technical, policy and management-focused committees that serve as incubators for TEI's educational and advocacy efforts



## Our Global Footprint

- 49 chapters in the United States
- 4 chapters in Canada
- 1 chapter in Europe (established in 1999 – currently >250 members)
- 1 chapter in Asia (established in 2005 – currently >120 members)
- 1 chapter in Latin America (established in 2015 – currently 59 members)





## TEI's Growing Presence in Asia

- Individual members employed by 51 different companies
- Significant number of Fortune 100 and Fortune 500 companies
- Members spread across Australia, China, Hong Kong, India and Singapore
- Efforts underway to raise TEI's profile in India



## Three Core Areas of Activity

- Networking
- Education
- Advocacy



## Networking

*“TEI is the only organization where you can call up someone you don’t know, and he will tell you all his secrets.”* – Member, TEI Kansas City Chapter

- . . . face-to-face at TEI meetings
- . . . one-on-one, (telephone or email)
- . . . web-based, members-only discussion forums



## Education

- Over 600 educational meetings held annually, including conferences, seminars and schools
- Affordable, best-in-class practitioner faculty
- Educational sessions *always* member-driven and provide practitioner perspectives, and, often those of governmental officials



## Affordable, Focused, Top-notch Education

- Wide variety of multi-day conferences & seminars (approx. 8-10 per year)
- Week-long core training programs for tax staff
  - International Tax Course
  - Federal Tax (Introductory Level 1 and Level 2 Courses)
  - State and Local Tax
- Webinars
  - 1,000 to 3,000 participants per 2-hour program
  - 4-5 per year
- Annual regional meetings organized by chapters in the United States, Canada, Europe and Asia
- More than 600 Chapter programs in 56 chapters, ranging from two hours to two or more days



## Education — Chapter Meetings

- In areas where members are geographically concentrated, frequent meetings
- In areas where members are separated by significant distance, meetings tend to be longer, ½ day to multi-day
- In either case, format consists of:
  - Members-only roundtable discussions where participants share planning ideas, compliance challenges, audit experiences, and discuss tax department management issues;
  - Formal technical presentations led by tax practitioners (CPAs, lawyers and other subject matter specialists); and
  - Government speakers, usually “local” at the chapters, but in Europe, EU and OECD officials are considered “local”





## What Makes TEI Unique?

- Broad-based membership—TEI is not affiliated with any other industry group or association
- Experienced—founded more than 70 years ago
- Flexible and informed of local interests—chapters plan meetings and other activities taking into account their unique circumstances
- Privacy—confidentiality allows members to be candid and discuss difficult issues freely
  - Chapter meetings are generally closed to consultants, vendors, and the media
  - TEI Conference sessions are also closed, EXCEPT where a government official is speaking



## Promoting the Interests of Government and Taxpayers Through Advocacy

- TEI is dedicated to improving tax systems in which our members reside in a principled and effective manner
- We advocate on matters affecting business taxpayers as a whole (for example, minimizing compliance burdens and improving audit processes) and generally avoid narrow issues that could divide the organization
- Our advocacy program is built upon the premise of individuals with common interests coming together to accomplish collectively what they could not accomplish alone



## Importance of Member-Driven Advocacy

- TEI's advocacy is based on, and driven by, the diverse experiences of our members
- Membership is comprised exclusively of in-house tax professionals who actually apply tax rules to their employers' business activities. There is no substitute for this real-world, on-the-ground industry experience.
- TEI's membership is also broad-based and crosses industry lines. Thus, government is comfortable that we are advocating for change that will benefit taxpayers generally, as opposed to a particular special interest group.



## Examples of Advocacy Projects

- Liaison meetings with tax administrators
- Written comments on regulations, formal and informal government pronouncements, and administrative procedures
- Testimony before legislative bodies
- “Friend of the Court” briefs in court cases of widespread interest to business taxpayers



## An Advocacy Case Study “Base Erosion and Profit Shifting”

- Framing TEI’s Strategy
- Developing a Plan of Implementation
- The Results and Benefits



## TEI's BEP's Advocacy Strategy

- Identifying key issues of company concern
- Prioritizing
- Offering proposed solutions *in addition to* highlighting technical or policy gaps and shortcomings





## Overall Results

- 30 BEPS and BEPS-related submissions to the OECD
- Active consultation with the Business and Industry Advisory Committee
- Presentations to and attendance at numerous OECD public consultations



## Select Issues for Discussion

- Country-by-Country Reporting
- Definition of Permanent Establishment
- Low Value-Adding Intragroup Services
- Interest Deductions
- Dispute Resolution
- Multilateral Instrument



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# Your Questions