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AND BUSINESS



What did G20 Heads of Government discuss at the G20 Turkish Summit?

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Participants at the 2015 G20 Summit in Turkey



Reading the G20 Communique: What's there; What's not there

The Tax Agenda

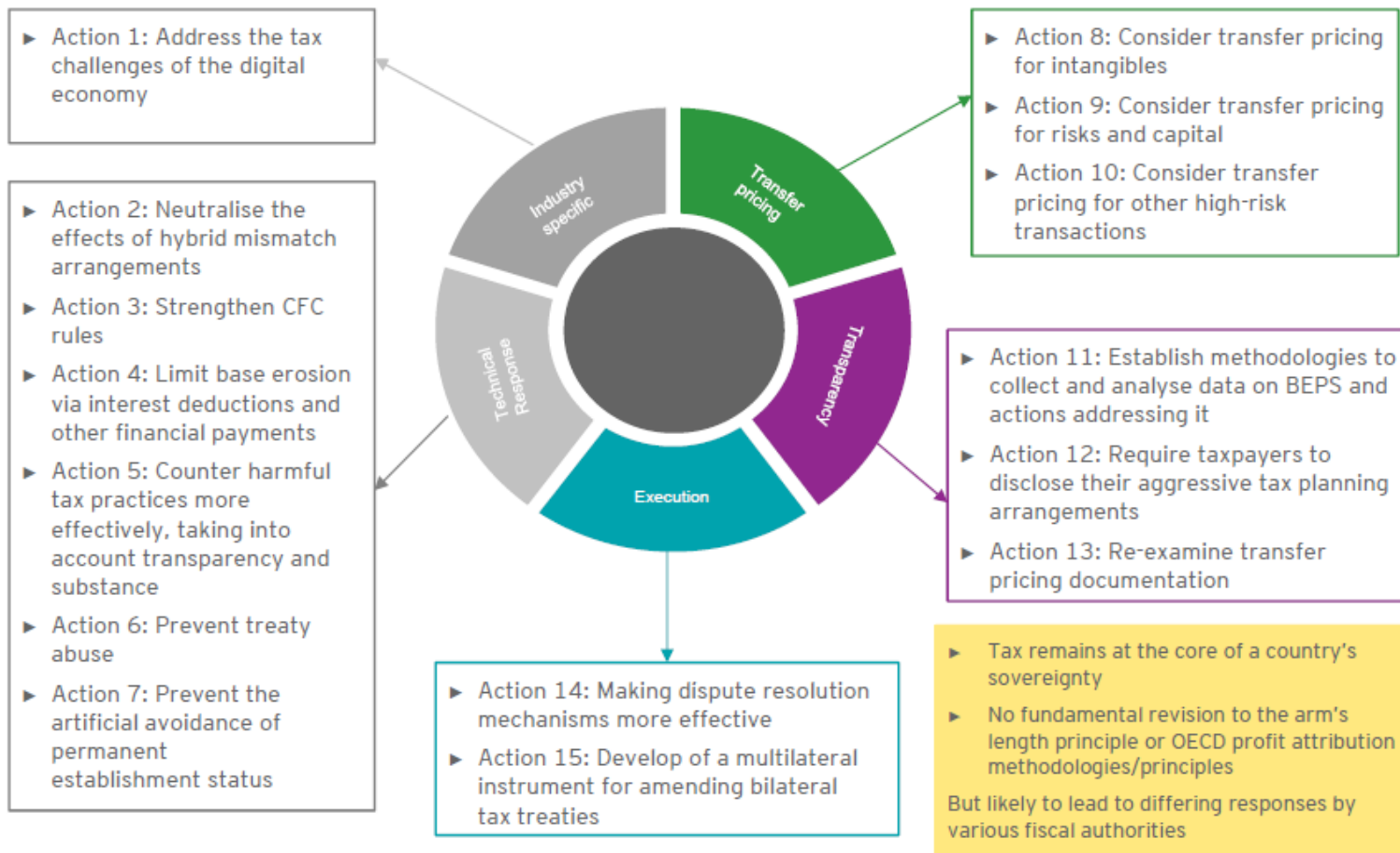
- We endorse the package of measures developed under the ambitious G20/OECD BEPS project.
- Widespread and consistent implementation will be critical
- To monitor and develop an inclusive framework by early 2016 with jurisdictions which commit to implement the BEPS project
- To provide appropriate technical assistance to interested developing economies in tackling the domestic resource mobilization
- We are progressing towards enhancing the transparency of our tax systems
- We support the efforts for strengthening developing economies' engagement in the international tax agenda
- We welcome Implementation Plans on beneficial ownership transparency

Reading the G20 Communique: What's there; What's not there ...continued

The Broader Agenda

- *Determine further collective actions towards achieving strong, sustainable and balanced growth*
- *Boosting investments as a powerful driver of growth*
- *We will also consider the composition of our budget expenditures and revenues to support productivity, inclusiveness and growth*
- *Rising inequalities in many countries may pose risks to social cohesion and can also have negative economic impact*
- *Strong impetus, concrete policies and actions to improve the investment ecosystem, foster efficient and quality infrastructure*
- *We endorse the G20/OECD Principles of corporate governance*
- *The establishment of the private sector-led World SME Forum and Inclusive Global Value Chains (GVCs)*
- *Increase our efforts to implement all the elements of the Bali Package*
- *We will continue our efforts to ensure that our bilateral, regional and plurilateral trade agreements complement one another*
- *Adopt a protocol, another legal instrument or an agreed outcome with legal force at COP21 which reflects the principle of common but differentiated responsibilities and respective capabilities*

The BEPS Universe



BEPS: recommendations, not laws...

Minimum standards

- Action 5 – Counter harmful tax practices more effectively, taking into account transparency and substance
- Action 13 – Transfer pricing documentation & country by country reporting
- Action 14 - MAP

Reinforced standards

- Action 6 – Prevent treaty abuse
- Action 7 – Prevent the artificial avoidance of permanent establishment status
- Action 8 – Transfer pricing for intangibles
- Action 9 – Transfer pricing for risks and capital
- Action 10 – Transfer pricing for other high-risk transactions

Best practices

- Action 2 – Neutralize the effects of hybrid mismatch arrangements
- Action 3 – Strengthen CFC rules
- Action 4 – Limit base erosion via interest deductions and other financial payments
- Action 14 - MAP

Administrative cooperation

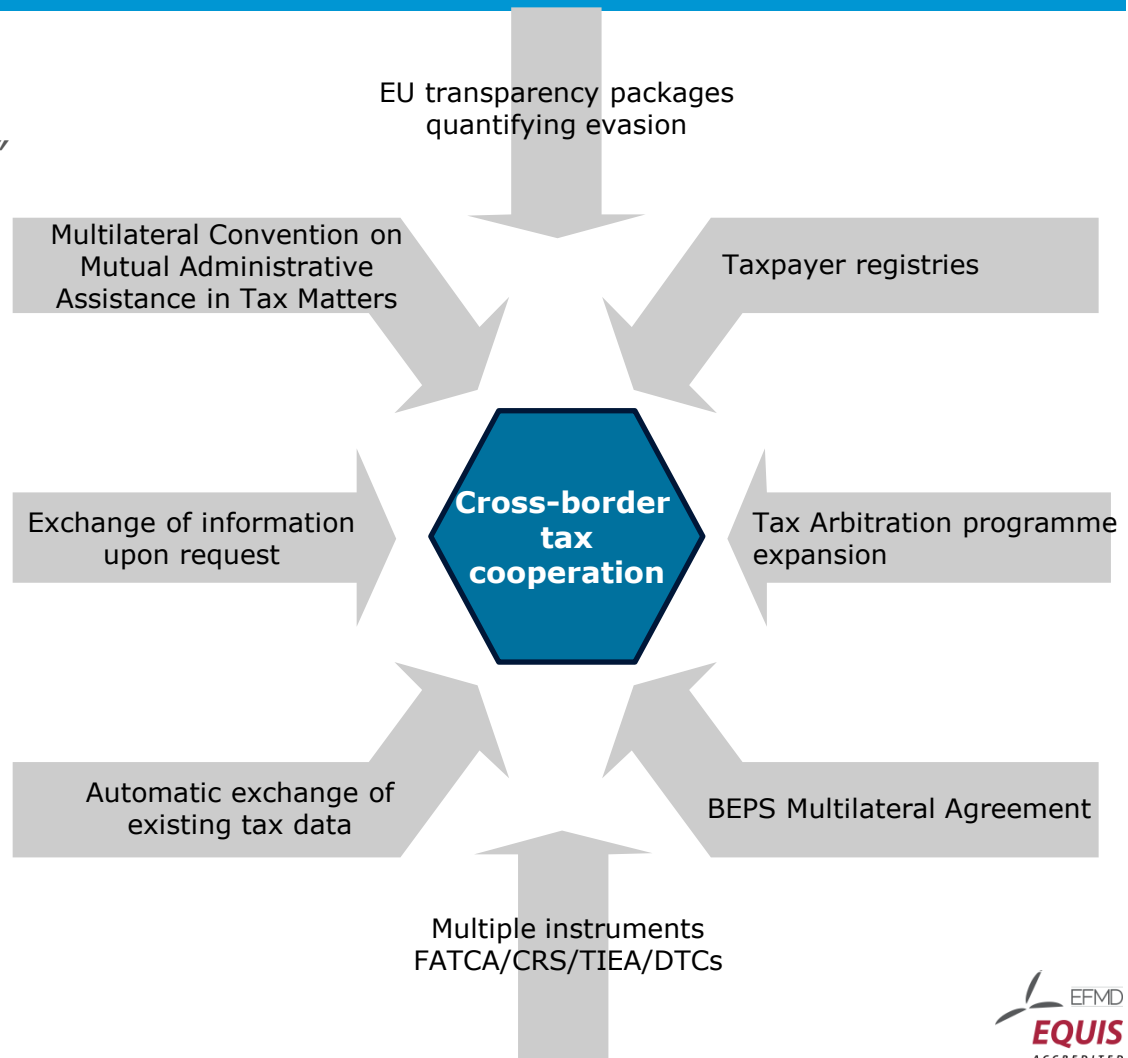
Tax administrations working together

"Cooperation between tax administrations is the new norm. What's filed with one is filed with all."

Inter-governmental capacity development

Global solutions with interest on increase in local tax collection

Cooperative Compliance



What is the agenda for BEPS II

(a) Complete technical details

- Especially Actions 8, 9, 10

(b) Achieve consistent implementation

- Challenges: Implement what standards (Minimum/Best practices; which options)
- The Mechanism: A BEPS Global Forum?

The Multilateral Instrument: Action 15

- What is it?
- Is it feasible?
- Where does OECD stand?
- What's the timetable?
- Why business should support

- The elusive global consensus on source and residence taxation
- Dealing with the digital economy
- Tax competition and the race to the bottom

And the bigger agenda

- The role of taxation in:
 - promoting FDI and sustainable growth
 - delivering revenues needed by government
 - reducing inequalities
 - taking forward the COP21 agenda

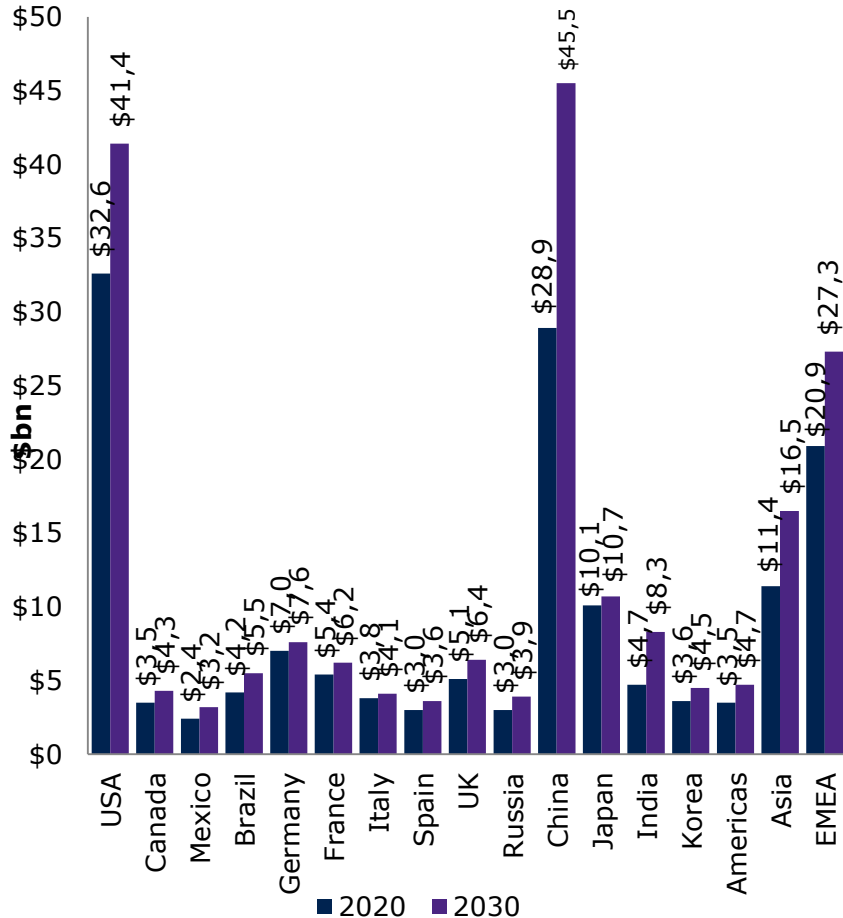
BEPS and “Made in India”

- How will a BEPS empowered India Revenue Service react?
- Will we see an increase in disputes?
- And if so, how will the government react?
- How important is BEPS for Indian revenue collection?
- Will it distract from bigger tax issues, (e.g., GST, black money)?
- Is India now within the inner OECD circle?

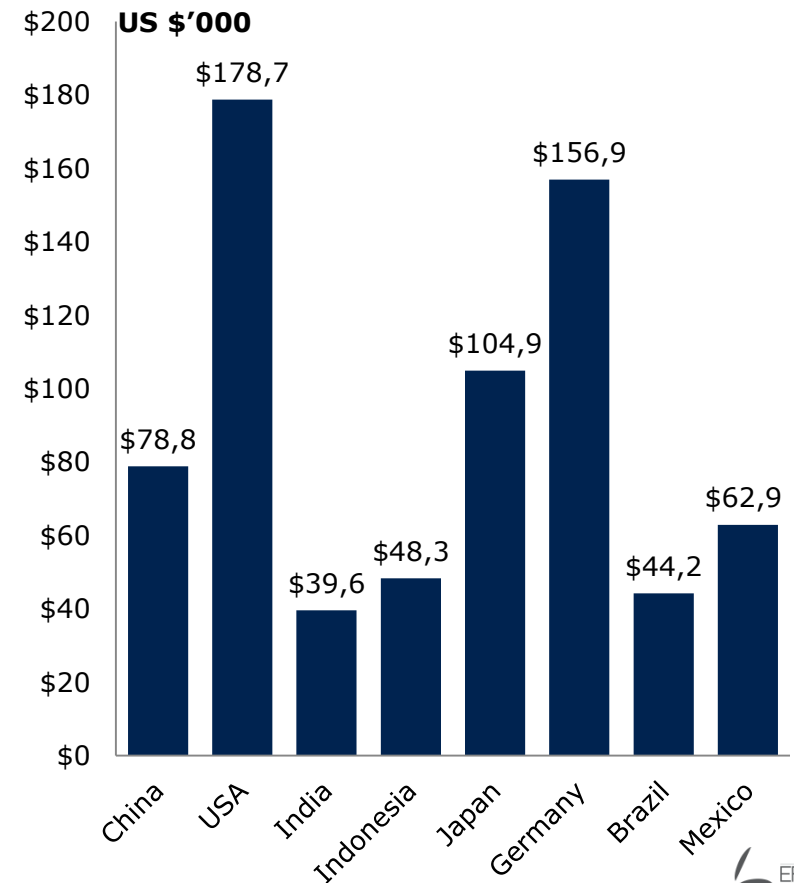


The USA and China will dominate the global economy for the foreseeable future.

Global gross output 2020 US\$ Billion



Nominal GDP per head US \$'000 2050



Source: EY , Oxford Economics 2015, EIU

Leaders of BRICS prior to the G-20 Summit in Antalya, Turkey

