

INTERNATIONAL TAX COOPERATION –“UNITED NATIONS” LAST TRENDS–

A new FRAMEWORK AGREEMENT
ON INTERNATIONAL TAX
COOPERATION & PROTOCOLS

A new INTERNATIONAL TAX
ORGANIZATION (ITO)

EUROPEAN/GLOBAL CONFERENCE

A new GLOBAL TAX ORDER



A/RES/77/441

A/RES/78/442 – Report A/78/235

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VENUE: UFFICIO DEL PARLAMENTO EUROPEO E LA RAPPRESENTANZA
DELLA COMMISSIONE EUROPEA. Rome. Italy DATE: February 23rd
2024. TIMETABLE: 15h-18h (Central European Time)

Organized by Institut Transjus of the Faculty of Law. UB Dir. E. Andrés-Aucejo





REVIEW OF INTERNATIONAL & EUROPEAN ECONOMIC LAW

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Via Quattro Novembre, 149, 00187 Roma RM, Italia



INTERNATIONAL TAX COOPERATION -“UNITED NATIONS” LAST TRENDS-

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TEXAS A&M UNIVERSITY
School of Law

**GLOBALIZATION, COOPERATION,
AND GLOBAL TAX GOVERNANCE**

Impact of UN Recent Initiatives

Prof. William Byrnes, 23 Feb. 2024
Trans Jus, Universitat de Barcelona
& Global Tax Poly Ctr, EU HQ Rome



Howdy

What is the OECD Problem?



Eroding Tax Bases: Digital Economy

OECD publishing

Please cite this paper as:

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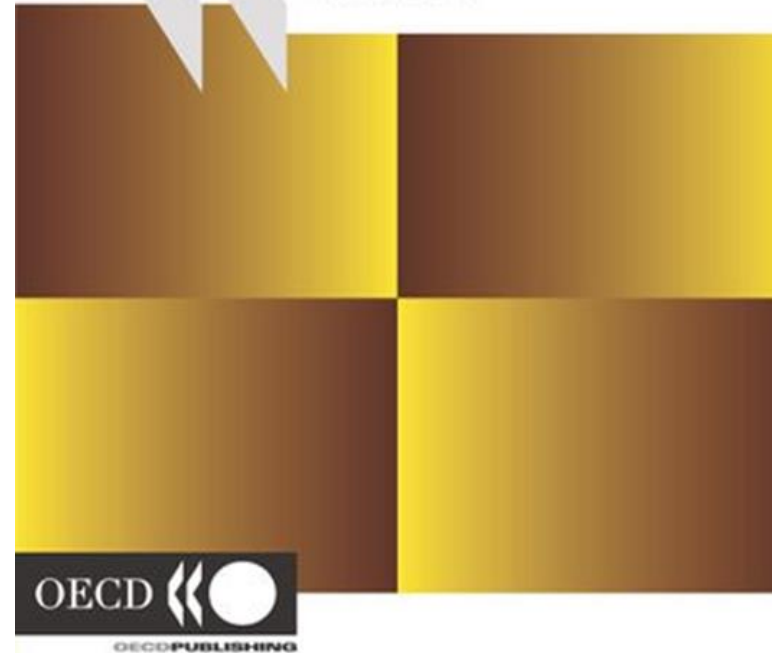
OECD Digital Economy Papers No. 38

**Dismantling the Barriers to
Global Electronic
Commerce, Turku (Finland)**

1997

OECD
Tax Policy Studies

**E-commerce:
Transfer Pricing
and Business Profits
Taxation**

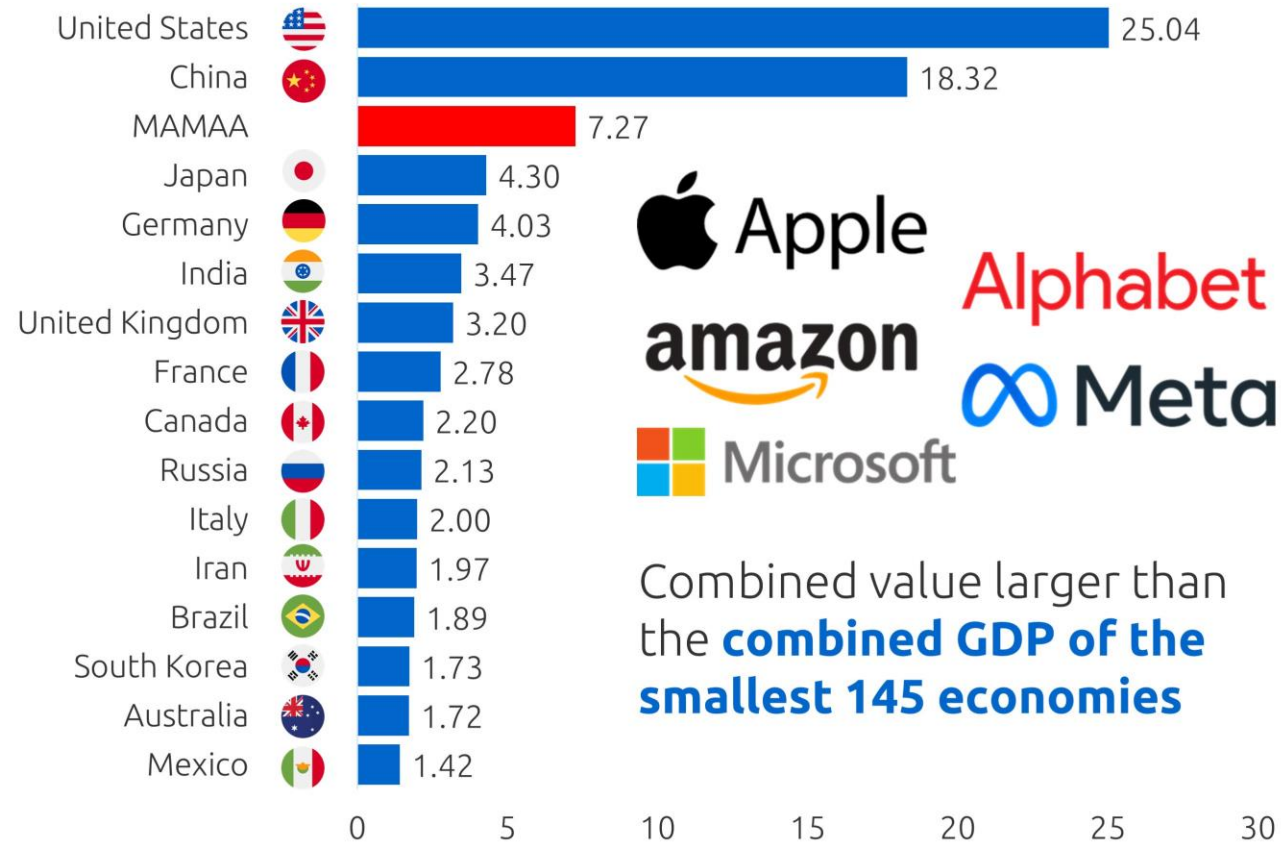


No. 10

2005

If MAMAA was a country it would rank as the 3rd largest economy

MAMAA Portfolio Equally Weighted, all prices are adjusted for splits and dividends. The portfolio is rebalanced Quarterly





BATX

Tencent 腾讯

阿里巴巴 Alibaba.com

Baidu 百度



Market Cap

\$550.0

\$483.0

\$81.0

\$50.0*

Revenue

\$21.9
2016

\$25.1
2017

\$10.1
2016

\$15.0**



GAFA

facebook

amazon

Google



It's complicated. Facebook remains blocked in China, but even if it does gain access, it will be competing with very popular domestic platforms such as WeChat, RenRen, and Weibo.

A tough sell. Since entering the Chinese market, Amazon has had trouble competing against Alibaba. Stiff competition extends beyond retail, as even AliCloud competes directly with AWS.

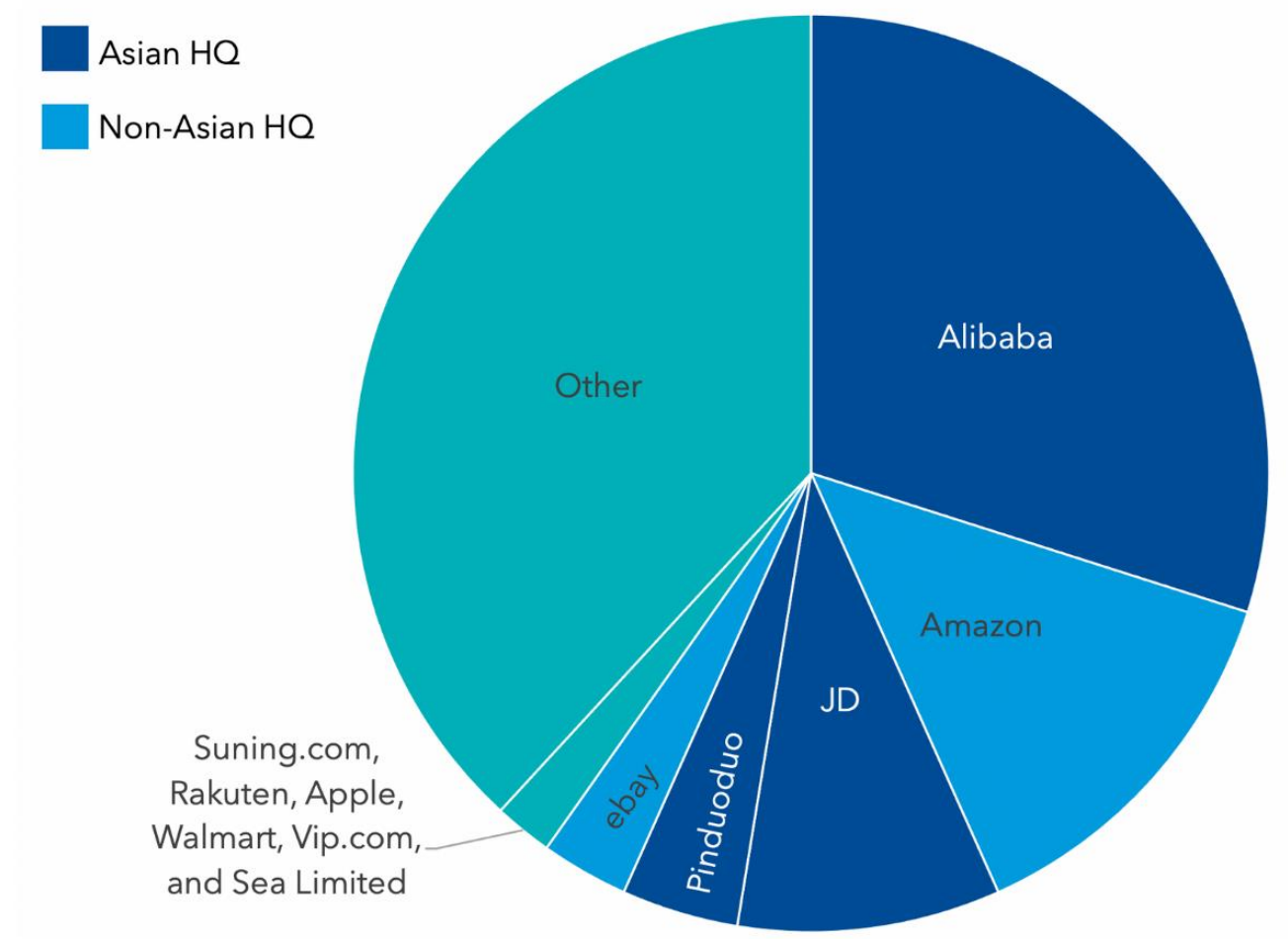
Searching for an in. Google officially left the Chinese market in 2010 after refusing to cooperate with government requests to filter results. Google has recently begun opening offices in China, and certain services, such as Maps, are accessible.

The shine has dulled. Once hailed as a major success story in China, the company has seen its smartphone market share drop to single digits. ApplePay is also up against stiff competition from AliPay and WeChat's popular e-wallet.

The global market share of e-commerce firms

Tech giants in Asia make up a large portion of the global market share.

(percent of total, by gross merchandise volume, 2019)



Sources: Statista and Activate.

Acordó pagar \$ 100 millones - \$ 130 millones de impuestos anuales



**Ingresos del impuesto de sociedades (2021)
≈ Euro 70.000 millones**

Ayuda estatal

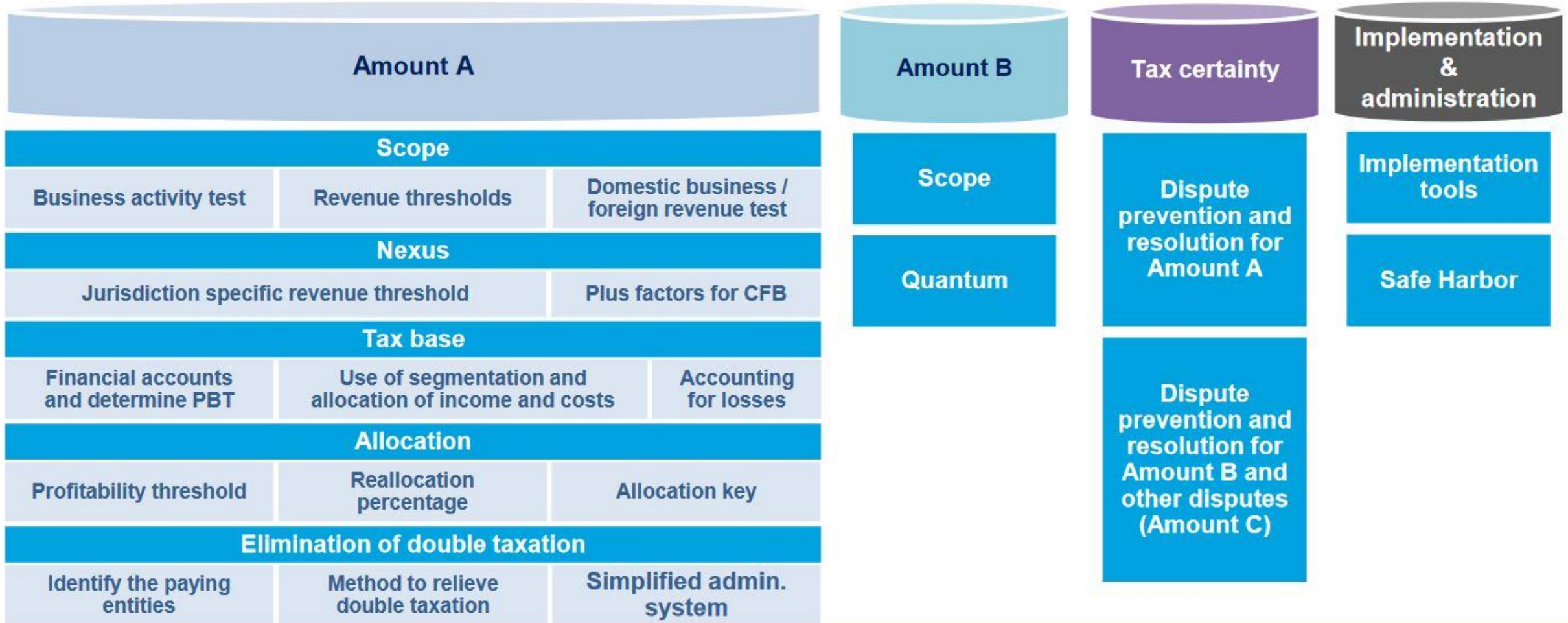
OFFSHORE LEAKS (2013)
LUXLEAKS (2014)
SWISSLEAKS (2015)
PANAMA PAPERS (2016)
PARADISE PAPERS (2017)...

HAPPENED THANKS TO
WHISTLEBLOWERS!

JE SOU
ANTO



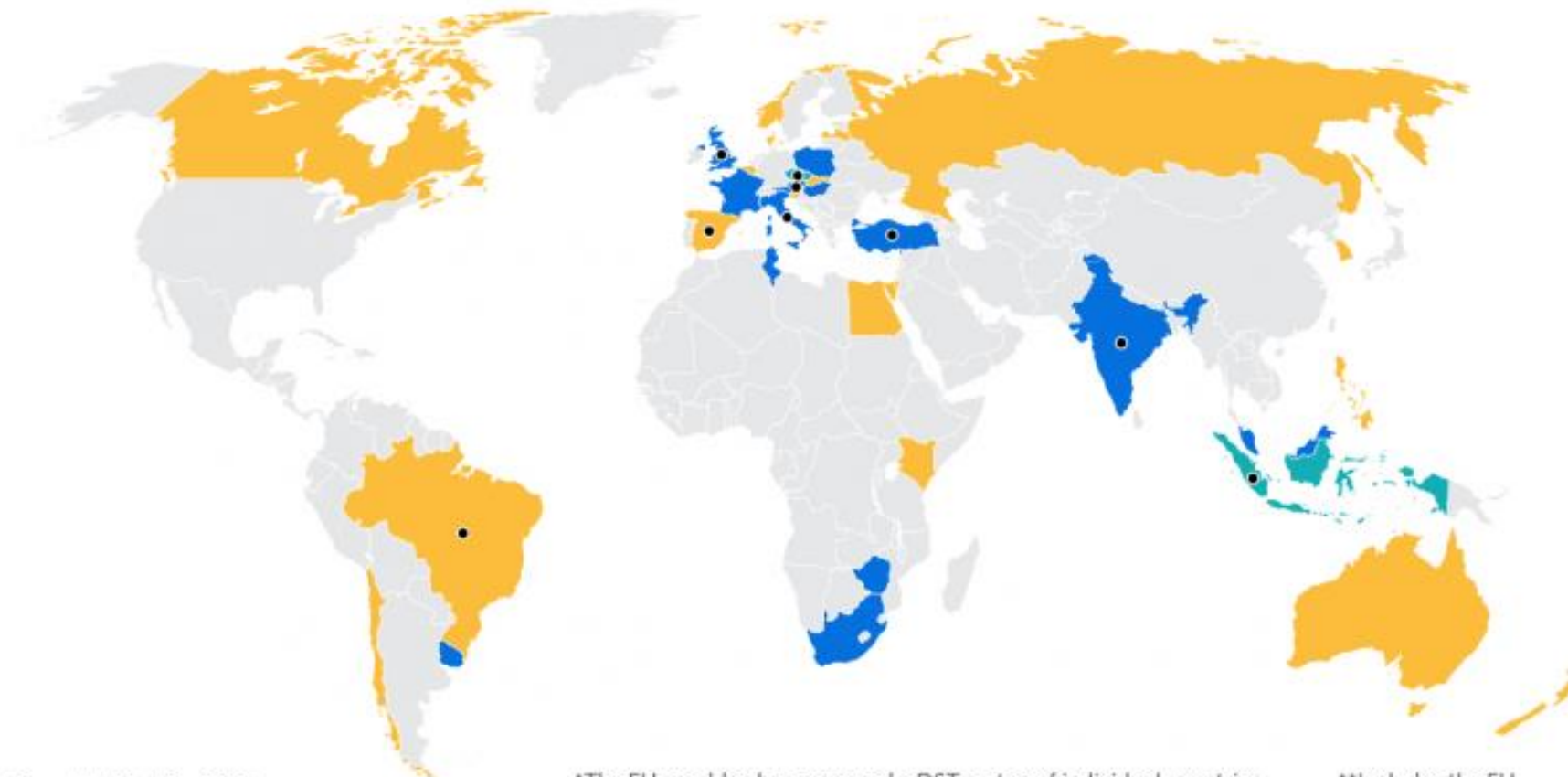
Pillar 1 – Unified approach



Digital Services Tax (DST)

A growing number of countries are introducing digital services taxes (DSTs). The U.S. has opposed such taxes since they often disproportionately impact American tech companies, and has threatened to impose tariffs against its trade partners who have either proposed or adopted DSTs.

- Effective
- Approved
- Proposed*
- Under investigation by the Office of the United States Trade Representative**

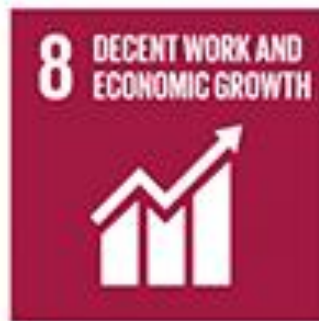






SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD



**Corporate tax revenues are particularly important
in developing economies**

(CIT revenues as a share of total tax revenues in 2018)

AFRICA (30): 19.2%



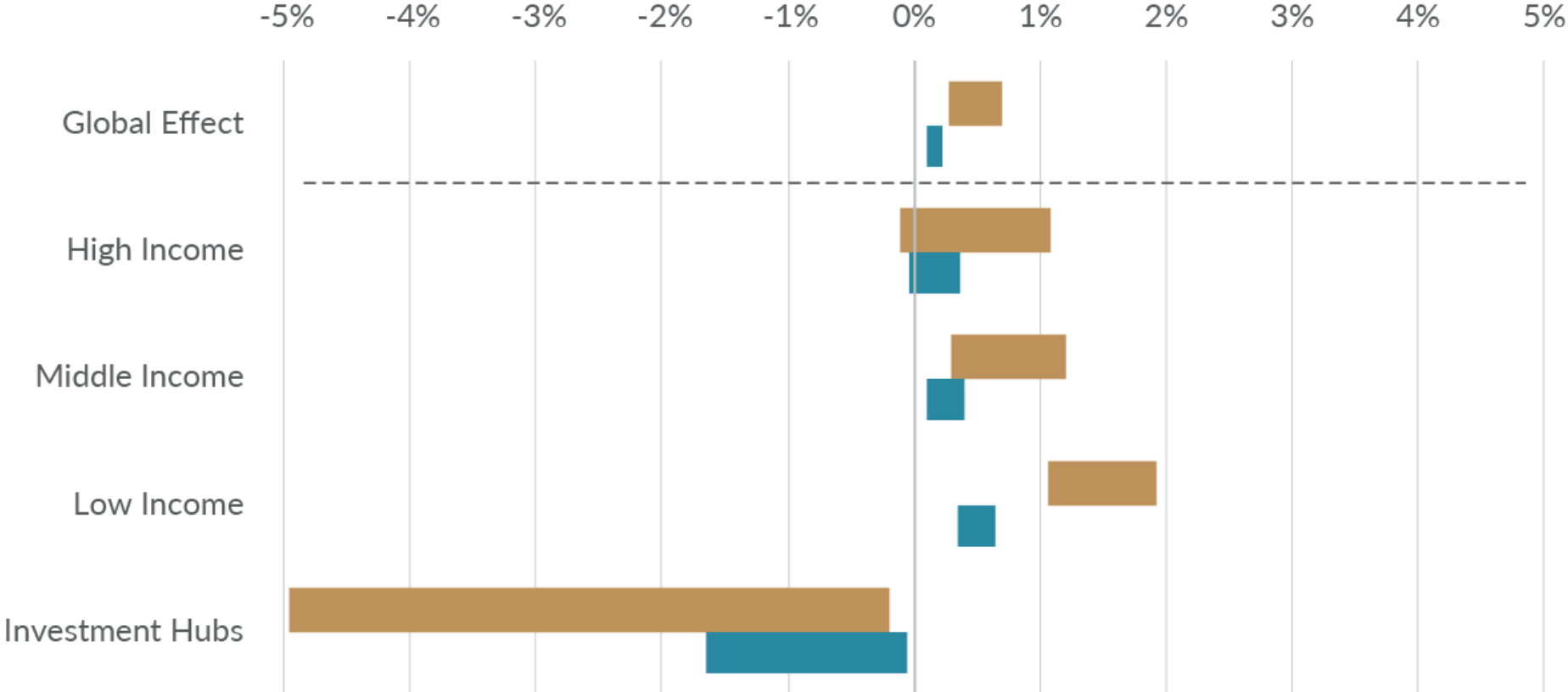
LAC (26): 15.6%



OECD: 10.0%



Pillar 1: Range of Estimated Effects on Corporate Income Tax Revenues (% of CIT Revenues)



Illustrative Assumption on Residual Profit Threshold (Based on Profit-Before-Tax to Turnover Ratio):

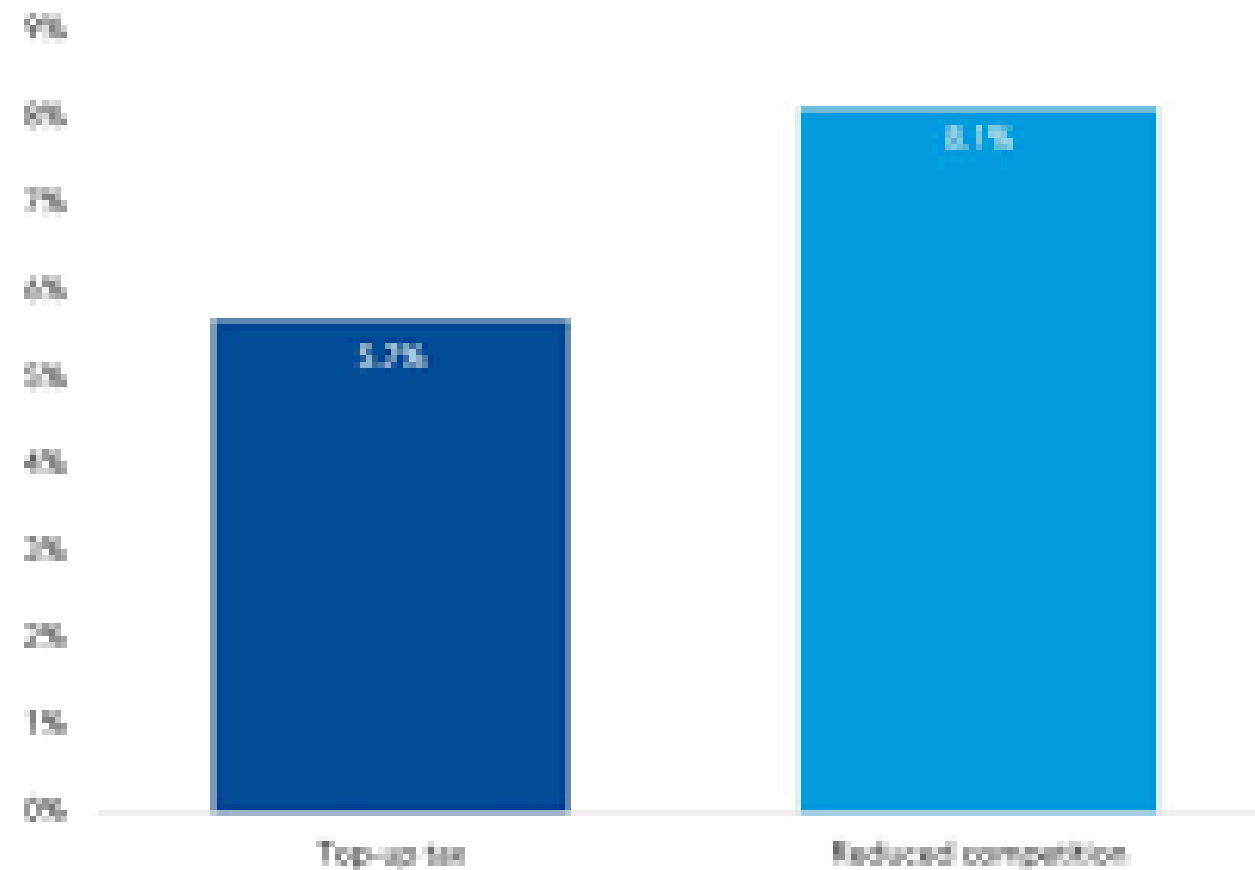
■ 10% ■ 20%

Note: Illustrative scenarios of Pillar 1 (Amount A only), where residual profit is defined with a 10% or 20% threshold on profit-before-tax to turnover, assuming a 20% reallocation of residual profit to market jurisdictions, with commodities and financial sectors excluded from scope. High, middle and low income jurisdictions are defined based on the World Bank classification. Investment hubs are jurisdictions with inward FDI above 150% of GDP. Source: OECD, "Webcast: Update on Economic Analysis and Impact Assessment."

Global minimum corporate tax effect

The minimum tax of 15 percent would raise global corporate tax revenues by 5.7 percent through the top-up tax and potentially by an extra 8.1 percent through reduced tax competition.

(percent of current CIT collections)



Source: IMF staff estimates (Fiscal Monitor, April 2022)

Note: The analysis uses the Standard & Poor's Capital IQ database and the country-by-country statistics from the OECD database.

Comparison of Data from CFCs and CbCRs for Selected Countries

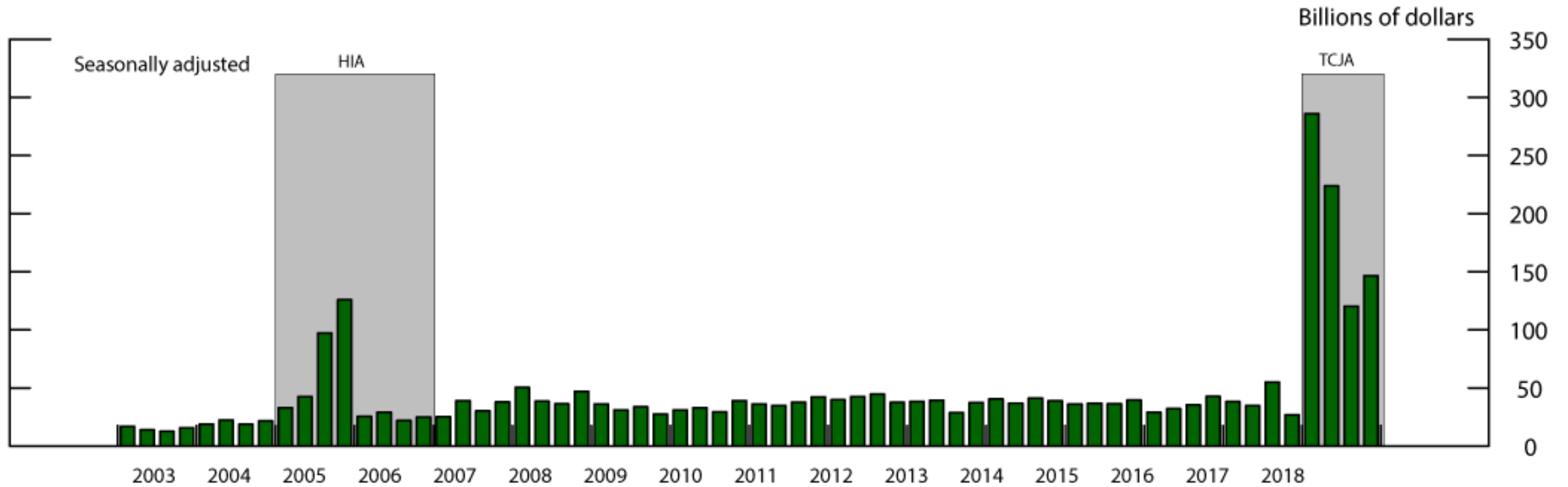
Amounts in billions

	Number of US corporations	Total receipts	Net profit	Foreign income taxes paid	Effective tax rate
<i>Form 5471 (2014) U.S. Corporations' Controlled Foreign Corporations</i>					
BBBViCI	1,498	618.1	137.6	20.0	14.5%
Ireland	786	549.9	142.4	4.7	3.3%
All non-US jurisdictions	14,969	7,029.5	946.6	121.6	12.8%
<i>Form 8975 (2016) New Country-by-Country Reports from Large US MNEs</i>					
BBBViCI	854	147.6	72.8	0.6	0.8%
Ireland	443	197.9	31.4	4.2	13.4%
Stateless entities	453	645	120.8	0.7	0.6%
All non-US jurisdictions	1,101	5,746.5	552.7	86.3	15.6%

BBBViCI includes Bahamas, Bermuda, British Virgin Islands and Cayman Islands

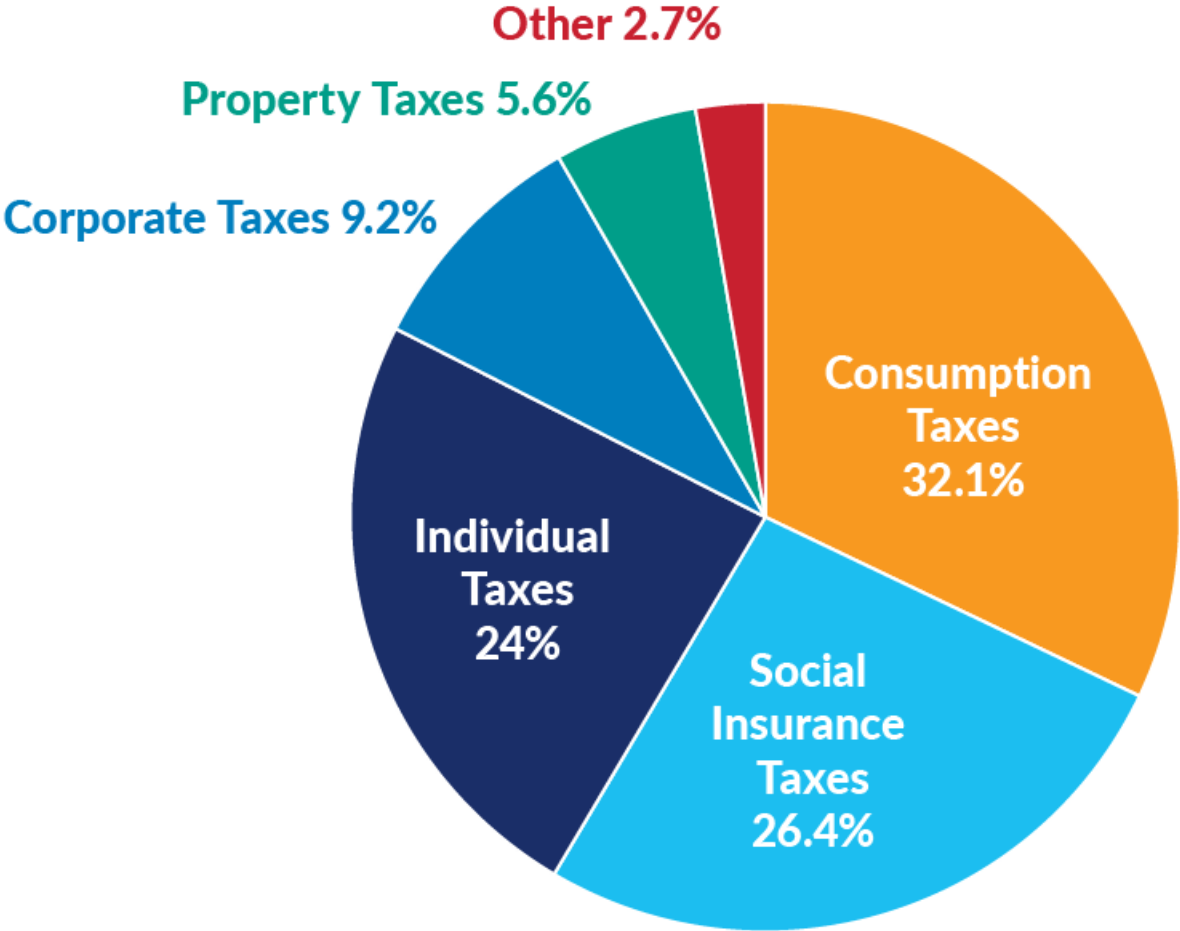
Source: IRS, Statistics of Income Division, Forms 5471 and 8975, compiled by Tom Neubig.

USA businesses repatriated \$777 billion (2018), estimated 78% of low-tax accumulations



Consumption Taxes Are the Most Important Tax Revenue Source for OECD Countries

OECD Average Sources of Tax Revenue, 2020



Source: OECD, "Revenue Statistics - OECD Countries Comparative Tables."



GLOBAL TAX COVERAGE

*Taxation on Digital Economy, Transfer Pricing and Litigation
in Tax Matters (MAPs + ADR); Tax Policies for Global Sustainability
(Digital U.S. BEPS (DAC) and Addis Ababa Agenda)*



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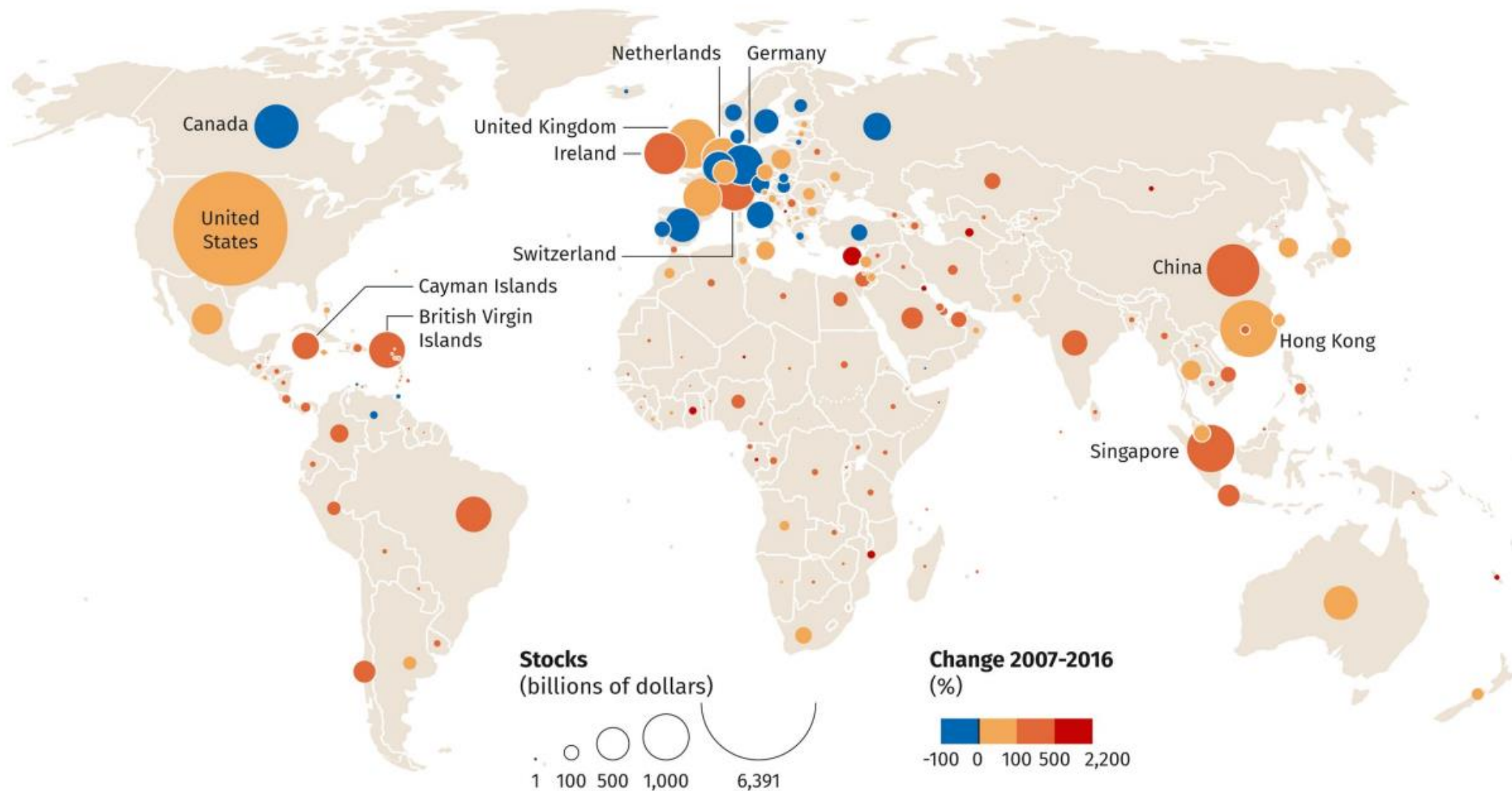
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TAXATION
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Inward flows of foreign direct investment (FDI), 2007-2016



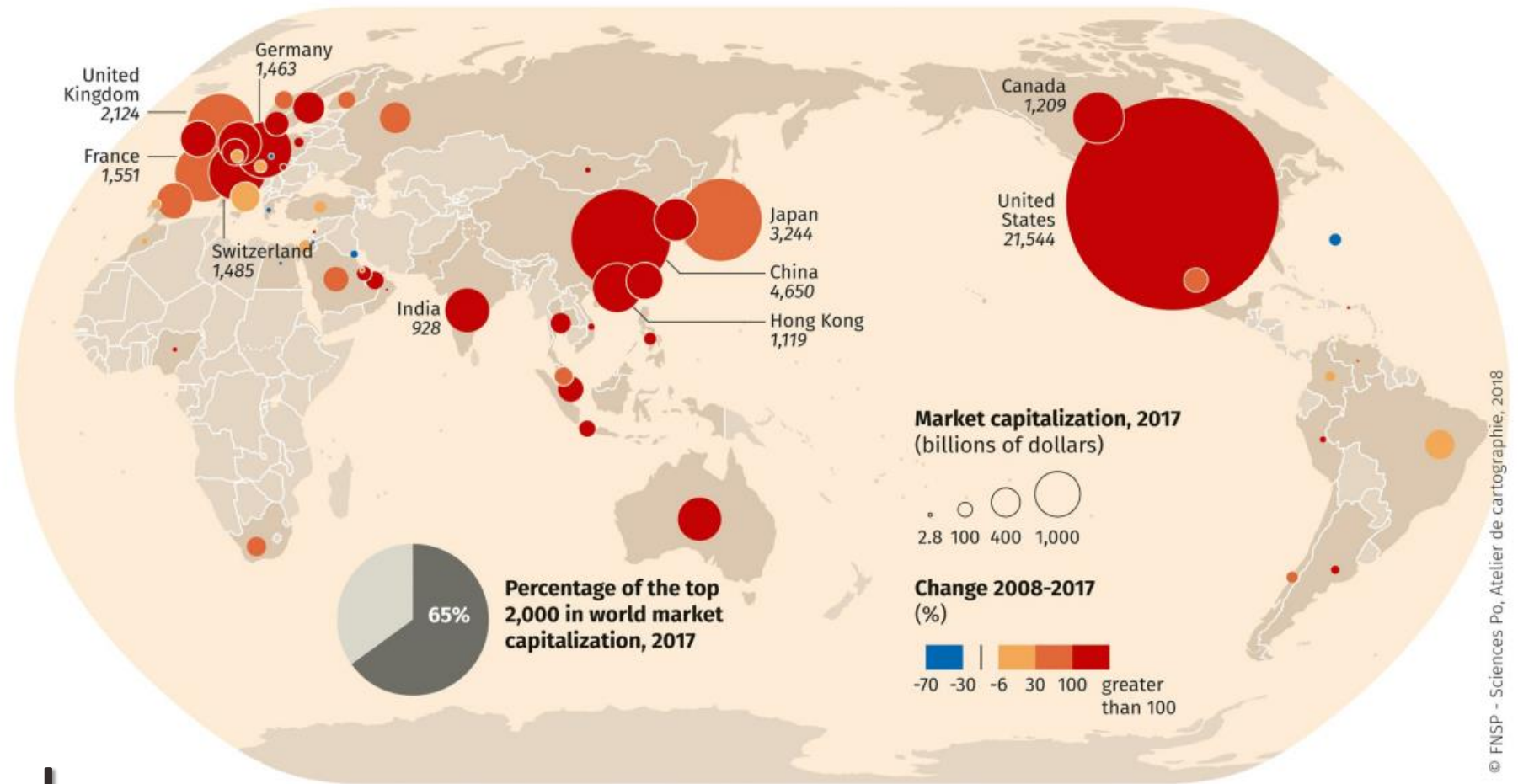
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Source: UNCTAD, <http://unctad.org>

Info & download ([https://espace-mondial-atlas.sciencespo.fr/en/topic-strategies-of-transnational-actors/map-3C24-EN-inward-flows-of-foreign-direct-investment-\(fdi\)-2007-2016.html](https://espace-mondial-atlas.sciencespo.fr/en/topic-strategies-of-transnational-actors/map-3C24-EN-inward-flows-of-foreign-direct-investment-(fdi)-2007-2016.html))

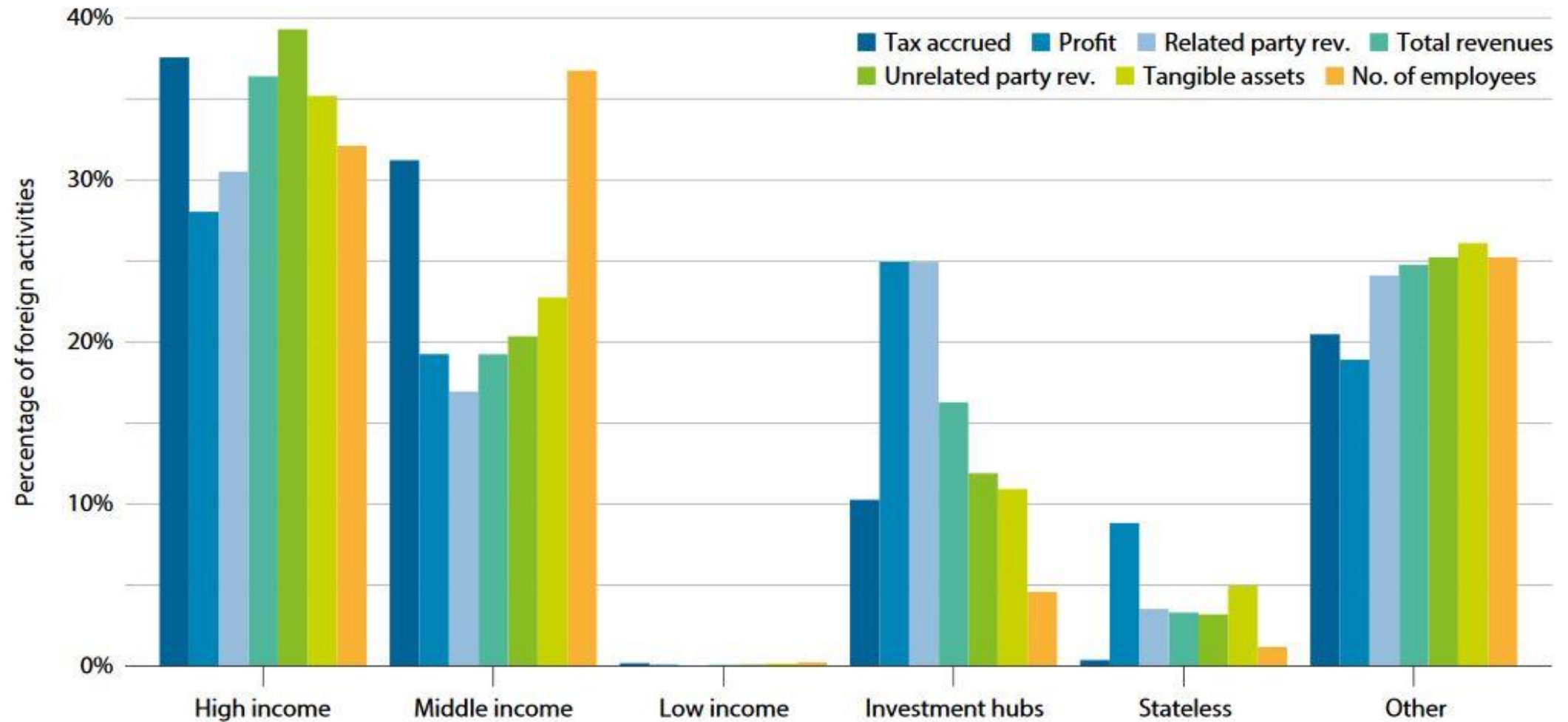
≈ 85,000

The 2,000 largest multinational companies, 2008-2017



≈ 500,000 subs

FIGURE 17: Jurisdiction groups' shares of foreign MNEs' activities



Note: The profit variable could include intracompany dividends in several instances, and therefore be upward biased. The bars represent jurisdiction groups' shares of different variables (e.g. profit in group x/total profits booked in foreign jurisdictions*100) across all jurisdictions included in the CbCR sample. The percentages are calculated using Table I (all sub-groups). "Other" reflects aggregate geographic groupings.

Source: 2016 Anonymised and Aggregated CbCR statistics

The real question should be how to use the UN process holistically for sustainable local business that generates VAT/consumption taxes



**Global Tax Reform +
Global Transfers**