



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

The 3rd Belt and Road Initiative Tax Administration Cooperation Forum

—Enhancing Tax Administration Capacity Building in
the Post-pandemic Era

19-21 September 2022
Algiers Algeria



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Capacity building in the context of tax treaty dispute resolution

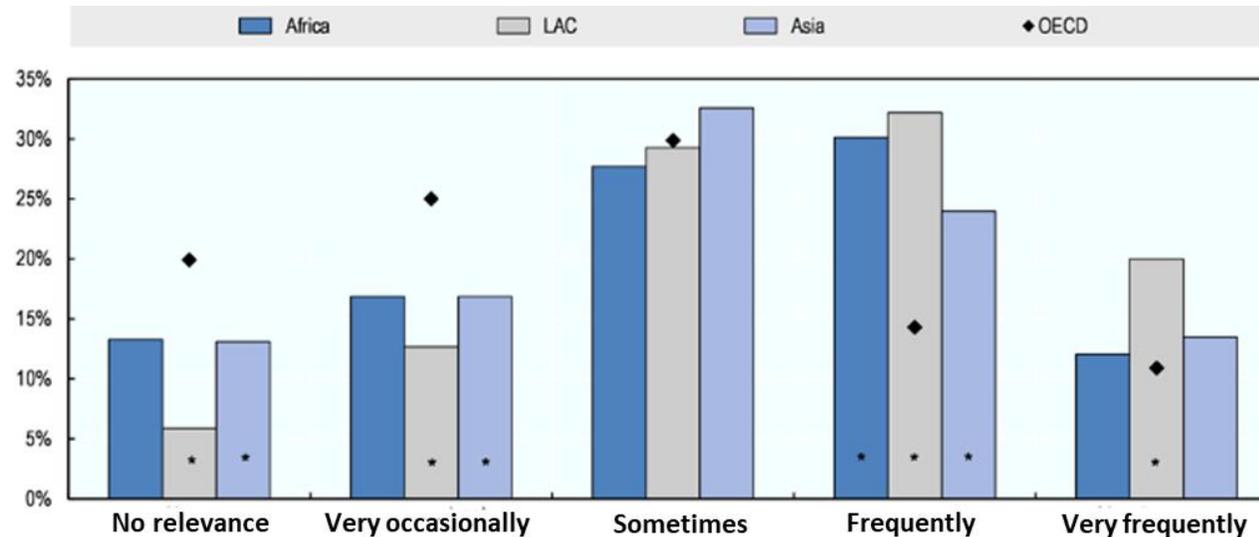
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Capacity building in the context of tax treaty dispute resolution

- Tax certainty and dispute resolution make foreign investment more attractive

RELEVANCE OF TAX CERTAINTY IN DECIDING WHERE TO INVEST*



* OECD, Tax Morale: What Drives People and Businesses to Pay Tax?, 2019

- Limited experience in capacity building on MAPs and dispute prevention:
 - 2007 OECD, Manual on Effective Mutual Agreement Procedure “MEMAP” (chapter 5.3 – 3 lines)
 - 2021 UN Handbook on the Avoidance and Resolution of Tax Disputes (chapter 6.3 – 3 para.)



Capacity building in the context of tax treaty dispute resolution

- **Use of “non binding dispute resolution mechanisms”**
 - outside expert opinion during the MAP phase (see, Commentary to Art. 25 of UN and OECD Model Conventions - para. 46-47 and para. 86-87)
- **Increase of staff → current inadequacy highlighted by the OECD*. Examples:**
 - African country – GDP 40 billion USD: 3 officials dealing partly with MAP cases
 - Asian country – GDP 160 billion USD: 5 officials dealing partly with MAP cases
- **Extend the “Tax Inspectors Without Borders (TIWB)” to MAPs**
- **Launch secondment programs (officials seconded at MAPs units of foreign Revenue Agencies)**



Capacity building in the context of tax treaty dispute resolution

- **Facilitate hiring officials from the private sector or industry**
- **Select foreign aliens as arbitrators in MAPs**
 - Experience by the Netherlands → lists of independent persons of standing provided by the EU Arbitration Convention and by the EU Directive 2017/1852 of 10 October 2017
- **Publish MAP cases/decisions within the BRITACOM Member countries**
- **Establish a MAP Panel within the BRITACOM Member countries to support in MAP cases providing expert opinions**