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

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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**

- **Very occasionally**
- **Sometimes**
- **Frequently**
- **Very frequently**

* 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.)
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- 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)

*OECD MAP Peer Review of the BEPS Inclusive Framework members
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- 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