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INTERNATIONAL TAXATION: OPPORTUNITIES AND RISKS

APRIL 17, 2016, 2:00PM TO 5:30PM

AGENDA

1:30 pm – 2:00 pm Registration

2:00 pm – 2:15 pm Welcome and Introduction

This opening session will set the stage of the 2nd annual IMF/WBG Spring Meetings conference on international taxation. The session will introduce the objectives of the meeting – to assess the emerging opportunities and risks in international tax issues, and to discuss the role of the IMF and WBG in the global fight against profit shifting and tax avoidance.

Sri Mulyani Indrawati, Managing Director and Chief Operating Officer, WBG

Vitor Gaspar, Director, Fiscal Affairs Department, IMF

2:15 pm – 2:45 pm Tax policy assessment framework – international tax issues

Ahead of the Financing for Development Conference in Addis Ababa, the IMF and the World Bank announced the launch of a new joint initiative to help member countries strengthen their tax systems. One of the pillars of the initiative includes the development of improved diagnostic tools to evaluate tax policies, identify priority tax policy reforms, and design the requisite support for their implementation. The session will discuss the new tax policy diagnostic framework, its purpose and structure, and explain the treatment of international tax issues within the framework.

Chair: Marijn Verhoeven, Lead Economist and Cluster Lead, Governance Global Practice, WBG

Speaker: Victoria Perry, Assistant Director, Fiscal Affairs Department, IMF

Discussant: Savior Mwambwa, International Tax Campaign Manager, ActionAid International



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2:45 pm – 3:30 pm Building capacity in international tax matters

Lack of capacity was identified by developing countries as the central issue in dealing with aggressive international tax planning. This session will discuss the IMF/WBG efforts in capacity-building, including through bilateral and regional programs. The emphases of this session is on the lessons learned, and the most pressing capacity-building issues going forward. The session will report on the results of the WBG/IMF consultations with developing countries on transfer pricing issues held in Washington DC in March 2016.

Chair: Marcio Verdi, Executive Secretary, CIAT

Speaker: Richard Stern, Lead Tax Specialist, Global Tax Team, WBG

Panel: José Alejandro Mejía Giraldo, Head of the International Audit Unit, National Taxes and Customs Direction (DIAN), Colombia

*Davit Chitaishvili, Adviser, Department for International Relations
Georgia Revenue Service, Georgia*

*Michael Durst, Senior Fellow, International Centre for Tax and Development
(ICTD)*

3:30 pm – 3:45 pm Coffee break

3:45 pm – 4:30 pm Offshore transfers of assets – Update on analysis

The session will summarize ongoing work on how offshore transfers of domestic assets are currently taxed, and how they should be taxed. This work is part of a joint project by the IMF, with the OECD, undertaken at the request of the G20 Development Working Group. The IMF and OECD will report to the G20 during the 3rd quarter of 2016.

Offshore transfers of assets occur when shares of a foreign company owning a domestic asset are sold in the foreign country. The domestic law of both countries, in addition to the provisions of tax treaties, if any, determines which country has the right to tax the capital gains from that sale, and whether that gain is taxed once, twice, or not at all. The presentation will summarize existing conditions, impacts on tax in developing and developed countries, and discuss a recommended framework for how these transfers ought to be taxed.



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Chair: Jim Brumby, Director, Public Service and Performance, Governance Global Practice, WBG

Speakers: David Wentworth and Roberto Schatan, Fiscal Affairs Department, IMF

Panel: Doris Akol, Commissioner General, Uganda Revenue Authority (URA)
Case Study: Heritage Oil vs. URA

Dinesh Kanabar, CEO, Dhruva Advisors LLP, India

Case Study: Vodafone Group PLC vs. Government of India

4:30 pm – 5:15 pm International tax issues and the extractive industries

Resource rich developing countries are under pressure to raise revenues to address the fiscal impact of the significant fall in commodity prices. These pressures, together with the heightened awareness of international tax planning, has led many governments to reconsider their extractive industries (EI) fiscal regimes. Particular focus is on profit shifting by multinational extractive companies, given the often higher tax burden on these companies, with governments considering greater use of fiscal instruments targeted at gross revenues rather than net profits. This session will consider the revenue impacts of profit shifting on the EI sector, and then discuss the international experience in addressing this issue through fiscal instruments. It will also consider the use of fiscal models, such as the IMF Fiscal Analysis for Resource Industries (FARI) model, in identifying the impact of profit shifting and evaluating the different fiscal instruments.

Chair: Ruud De Mooij, Deputy Division Chief, Tax Policy Division, FAD, IMF

Speakers: Peter Mullins, Deputy Division Chief, Tax Policy Division, FAD, IMF
Jan Loeprick, Public Sector Specialist, WBG

Panel: Alonso Segura, Minister of Finance, Peru

Seth Terkper, Minister of Finance and Economic Planning, Ghana

5:15 pm – 5:30 pm Concluding Remarks and Next Steps

Closing remarks to sum-up and suggest next steps in addressing international business taxation challenges.

Michael Keen, Deputy Director, Fiscal Affairs Department, IMF
