

# GLOBAL TAX ADVISERS PLATFORM (GTAP) CONFERENCE

## “TAX & THE FUTURE”

03/10/2019

 TORINO INCONTRA  
Via Nino Costa, 8,  
10123 Torino, Italy

CFE Tax Advisers Europe invites you to attend the Global Tax Advisers Platform (GTAP) Conference to be held in Torino, Italy, on Thursday 3 October 2019 from 9am to 5pm, on the topic of “Tax and the Future”.

In the 21<sup>st</sup> century, close cooperation in taxation matters is indispensable; a pre-requisite driven by increased globalisation and digitalisation.

This is particularly so in light of the many tax-policy initiatives of international and supranational organisations, such as the OECD, the UN, the Inclusive Framework and the EU. Close co-operation is the sole effective means of responding to the requests of multinational clients.

GTAP is the global response of tax advisers to these international tax initiatives, formed in 2014 by CFE,

AOTCA and WAUTI, in search of closer links among tax advisers throughout the world. The platform provides the proper framework for a more dynamic, more inclusive cooperation among tax advisers, on the basis of enhanced dialogue, more effective collaboration and more openness.

The GTAP conference is intended to reinforce closer cooperation by bringing to the forefront issues that are of interest to all tax advisers in a borderless, increasingly globalising and automated society, driven by new technologies.

The conference will be attended by the founding organisations of GTAP: CFE, AOTCA and WAUTI, and tax advisers the organisations bring together from all over the globe.

GTAP embodies the vision of the founding organisations for a broad network of tax advisers around the globe working on a broad spectrum of topics within the field.

It reflects the conviction that tax advisers of all jurisdictions have common interests; and that these interests can be pursued more effectively together.

The GTAP conference is part of a series of other events of professional interest for tax advisers, which will be organized in Torino, from 2 to 4 October for the celebration of the 60th Anniversary of the foundation of CFE Tax Advisers Europe.

09h00

## OPENING REMARKS

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**Piergiorgio Valente**, President, CFE Tax Advisers Europe, Chairman GTAP Global Tax Advisers Platform

**Sergio Rolando**, Council Treasurer, City of Turin, Italy

**Giuseppe Zafarana**, Commanding General of the Guardia di Finanza (GdF), Italy

**Massimo Miani**, President, Consiglio Nazionale dei Dottori Commercialisti e Degli Esperti Contabili (CNDCEC), Italy

**Gaetano Ragucci**, President, Associazione Nazionale Tributaristi Italiani (ANTI), Italy

**Volker Kaiser**, Vice-President, Bundessteuerberaterkammer (BStBK), Germany

10h30

## PANEL I Future of Global Tax Policy

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### Moderation

**Piergiorgio Valente**  
President, CFE Tax Advisers  
Europe, Italy

Presentation of CFE's 60th  
Anniversary Liber Amicorum

**Servaas Van Thiel**  
Editor

**Kristen Andersson**, Vice President, Employers' Group, European  
Economic and Social Committee

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**Gladys Olajumoke Simplice**, President, West African Union of Tax  
Institutes (WAUTI)

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**Fabrizia Lapecorella**, Director General, Ministry of Finance, Italy

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**Bruno Ferroni**, Professor of International Business Law, Università  
Cattolica del Sacro Cuore, Italy

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**Euney Marie J. Mata-Perez**, President, Asia-Oceania Tax Consultants'  
Association (AOTCA)

11h45

12h15

*Coffee Break*

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12h15

## PANEL II Future of Corporate Income Tax and VAT

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### Moderation

**Stella Raventós-Calvo**  
Chair of the Fiscal Committee,  
CFE Tax Advisers Europe,  
Spain

**João Félix Pinto Nogueira**, Deputy Academic Chairman, IBFD

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**Gaetano Ragucci**, President, Associazione Nazionale Tributaristi Italiani  
(ANTI), Italy

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**Francesca Mariotti**, Director of Tax Policies, Confindustria, Italy

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**John Voyez**, Partner, Smith & Williamson LLP, United Kingdom

13h45

14h30

*Lunch*

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14h30

**GTAP**

**Signing of the Torino - Busan Declaration**

14h45

14h45

**PANEL III Future of the Global Tax Profession**

### Moderation

**Wim Gohres**  
Chair of the Professional  
Affairs Committee, CFE Tax  
Advisers Europe, The  
Netherlands

**David Russell QC**, Deputy Chairman, Society of Trust and Estate  
Practitioners (STEP)

**Nii Ayi Aryeetey**, Immediate Past President, West African Union of Tax  
Institutes (WAUTI)

**Alessandro Solidoro**, Counsellor, Consiglio Nazionale dei Dottori  
Commercialisti e Degli Esperti Contabili (CNDCEC), Italy

15h45

**PANEL IV Future of Business Models and Tax Sustainability**

### Moderation

**Ian Hayes**  
Chair of the Tax  
Technology Committee,  
CFE Tax Advisers  
Europe, United Kingdom

**Eric Herren**, Cyber Security Senior Adviser, International Institute for Counter  
Terrorism, Switzerland

**Massimo Getto**, Vice-President and CFO, Viasat Group, Italy

**Glyn Fullelove**, President, Chartered Institute of Taxation (CIOT), United  
Kingdom

**Gilberto Gelosa**, Counsellor, Consiglio Nazionale dei Dottori Commercialisti  
e Degli Esperti Contabili (CNDCEC), Italy

16h45

**CLOSING REMARKS**

**Gary Ashford**, Vice-President, CFE Tax Advisers Europe, United Kingdom

**Gabriele Fontanesi**, Member, Advisory Council, International Association of Financial Executives Institutes (IAFEI)

**Mario Garavoglia**, President, Center for Criminal Tax Law (CDPT), Italy

**Gilberto Gelosa**, Counsellor, Consiglio Nazionale dei Dottori Commercialisti e Degli Esperti Contabili (CNDCEC), Italy

**Luca Asvisio**, President, Ordine Dei Dottori Commercialisti e Degli Esperti Contabili di Torino (ODCEC), Italy

**Ernesto Ramojno**, President, Piemonte-Valle D'Aosta section, Associazione Nazionale Tributaristi Italiani (ANTI),  
Italy



## **Indirizzo di saluto del consigliere Alessandro Solidoro**

*Torino, 3 ottobre 2019*

Illustri Autorità, relatori, colleghe e colleghi,

Presidente della CFE (Tax Advisers Europe) e Chairman della Global Tax Advisers Platform (GATP), Piergiorgio Valente;

Presidente dell'Associazione Nazionale Tributaristi Italiani (ANTI), Gaetano Ragucci;

Primo Vice Presidente della German Federal Chamber of Tax Advisers (Bundessteuerberaterkammer), Wolker Kaiser;

Presidente dell'Ordine dei Dottori Commercialisti e degli Esperti contabili, Luca Asvisio.

Innanzitutto desidero porgere i saluti del Presidente del Consiglio nazionale, Massimo Miani, che per improrogabili impegni istituzionali, non ha potuto oggi essere presente.

È un grande onore poter essere qui con voi oggi e celebrare assieme a colleghi e colleghe da tutto il mondo il sessantesimo anniversario della CFE e il settantesimo dell'Associazione nazionale dei tributaristi italiani. Grazie a voi tutti e congratulazioni per questi traguardi decennali a nome di tutto il Consiglio nazionale e dei commercialisti italiani. Grazie Torino per l'ospitalità che ancora una volta – Ordine, associazione e ed enti locali – ci riservate e l'attenzione accordata a noi tutti.

Sessant'anni fa, il nucleo fondatore della CFE, tra cui anche la componente italiana, aveva ben compreso che le questioni fiscali non si fermavano alle Alpi e ai confini nazionali e che una costruzione europea non poteva prescindere da un autorevole riferimento fiscale che unisse, a livello europeo, le voci degli esperti in fiscalità internazionale. Era un altro mondo, era un'altra Europa, era un'altra Italia (e anche un'altra Torino) ed è un mondo che aveva appena messo alle spalle le sfide della ricostruzione post bellica per immergersi nel dinamismo industriale degli anni



sessanta e seguenti. Anni in cui la politica europea agricola era dominante in assoluto e nei quali le parole “digitale”, “globalizzazione”, sostenibilità socio ambientale non erano ancora esistenti, né generavano imperativi di politiche fiscali. Oggi il mondo è cambiato (anzi è cambiato ieri, ma dobbiamo capirlo fino in fondo), i temi e le emergenze – di Stati, imprese, cittadini e di noi professionisti - sono diversi e sicuramente più complessi, ma l’assunto di fondo della dimensione internazionale ed europea alla quale fare riferimento è immutato.

In questo senso esprimo il mio apprezzamento per gli sforzi compiuti da parte della CFE, dei suoi membri e delle associazioni qui presenti – AOTCA e WUATI, per aver pienamente compreso questa esigenza e aver definito all’interno di un quadro multi continentale una serie di progetti e di priorità di politica fiscale. I temi che avete individuato – quello della crescita e del benessere mondiale equo e sostenibile, quello del cambiamento climatico, quello della tassazione dell’economia digitale e quello dei diritti del contribuente – rappresentano sfide sulle quali dobbiamo avere - e credo profondamente abbiamo – un’autorevolezza tecnico scientifica da porre al servizio della collettività.

I Commercialisti iscritti all’albo sono oggi in Italia 119.440, di cui oltre 95.000 in piena età lavorativa, e la consulenza fiscale, compresa quella del contenzioso che contraddistingue la professione italiana del commercialista da altre, è attività fortemente caratterizzante. Lo è in tutta Italia e in tutte le fasi della nostra crescita professionale. È doveroso ricordare qui il nostro impegno per un contributo alto e scientifico, nella definizione di politiche fiscali a supporto della programmazione economica europea, dell’Ocse o delle agenzie internazionali, ma è altrettanto doveroso ribadire che questo nostro contributo non può prescindere da un riconoscimento del nostro ruolo e delle responsabilità e oneri che ci assumiamo ogni giorno. Le politiche fiscali – di armonizzazione di regimi di tassazione, di redistribuzione del reddito, per l’equità fiscale (se esiste un accordo sul concetto di equità sociale), per combattere evasione, elusione, riciclaggio, corruzione e terrorismo, programmazione di welfare e di sostegno alle pmi e agli investimenti– presuppongono l’intervento di professionisti competenti in supporto alle autorità fiscali e i ai veri *decision makers*. Che sia nella fase di determinazione del reddito, della determinazione degli indici di affidabilità, del *filing* ufficiale della dichiarazione,



del contenzioso (o meglio nei sistemi deflattivi del contenzioso), il nostro intervento non è né banale né ovvio, e non è pensabile che si svolga senza un formale riconoscimento e senza una drastica semplificazione. Siamo reduci da una due giornate di sciopero promosso da tutte le sigle sindacali per rappresentare a Mef e al governo italiano l'esigenza di intervenire in maniera utile su tutto il fronte degli adempimenti e degli ISA in particolare. Non si può essere intermediari, operatori, piattaforme al servizio dello Stato senza alcun riconoscimento dell'importante ruolo da noi svolto e senza essere ascoltati. Con riferimento alle criticità più contingenti relative agli ISA, il Consiglio nazionale in un incontro tenutosi ieri pomeriggio al MEF con il Viceministro dell'economia e delle finanze, Antonio Misiani, alla presenza degli altri vertici istituzionali del Ministero e dell'Agenzia delle entrate, ha rappresentato con forza i gravi motivi che hanno comportato la proclamazione dello stato di agitazione dei commercialisti. Nel corso dell'incontro – preso atto dell'impossibilità di sancire la facoltatività degli ISA per il 2018 a causa delle pressanti esigenze di gettito – il Consiglio nazionale ha proposto una serie di interventi che, se adottati, contribuirebbero a mettere ordine nel caos generatosi intorno agli ISA e a porre le basi minime di un più equilibrato rapporto Fisco-Contribuenti, tra cui la possibilità di applicare le versioni evolute degli ISA, se più favorevoli per il contribuente, anche ai periodi d'imposta precedenti, la rimozione delle criticità nel calcolo di alcuni indici di anomalia con riferimento a tutti i 175 ISA approvati e non solo per gli 89 ISA in revisione quest'anno, nonché l'obbligo da parte dell'Agenzia delle entrate di chiedere, in sede di individuazione delle premialità e dei corrispondenti livelli di affidabilità fiscale, un parere preventivo alla Commissione degli esperti composta dai rappresentanti delle categorie e degli Ordini professionali.

Le sfide del nostro Paese, dell'Europa che oggi si interroga sulle sue ragioni e sui temi della solidarietà e della sicurezza, sono sfide strutturate e complesse. Per potersi esprimere sul transfer pricing e la determinazione della base comune consolidata, sul pacchetto Iva comunitaria, sull'approccio alla tassazione dei giganti dei social e dell'economia digitale, sul bitcoin e la finanza virtuale, per essere interlocutori validi e chiamati a definire o partecipare a sistemi alternativi di risoluzione dispute e trattati contro doppie imposizioni o per redigere e fare accreditare come legge lo statuto del contribuente bisogna essere credibili. E per essere credibili serve specializzazione



(anche questa va riconosciuta) e formazione continua, occorre un adeguamento degli studi professionali e competenze integrate, soprattutto a livello internazionale. Per poter poi promuovere il benessere del Paese e dell'Europa serve collaborazione tra agenzie governative, enti e istituti rappresentativi della nostra professione. Solo se si fa rete e si lavora assieme si potrà davvero credere che abbiamo fatto qualcosa per le generazioni future.

Ci attendono tre giorni intensi di aggiornamento reciproco sui nostri modelli e approcci normativi, di studio e di approfondimento per rafforzare la cooperazione tra esperti fiscali di molti Paesi qui presenti e che desidero ancora una volta ringraziare per la loro presenza. Sono certo che questo impegno comune e modello di "fare rete" sia di esempio e sia occasione di proseguire ma anche promuovere nuove iniziative, all'insegna della concretezza che contraddistingue il nostro agire professionale e per affermare ancora una volta il ruolo di chi accompagna ogni giorno aziende e cittadini, ne conosce le complessità, gli equilibri e le criticità, e ben sa che le soluzioni non possono essere solo frutto di intuizioni e capacità diagnostiche, ma di una pianificazione sistemica che deve necessariamente vederci introno ai tavoli di lavoro.

Non mi resta che augurare buon lavoro a voi tutti.

Grazie.

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PANEL I  
FUTURE OF GLOBAL TAX POLICY

*Krister Andersson*

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# The Future of Global Tax Policy

THE FUTURE OF GLOBAL TAX POLICY IN THE ASIA-OCEANIA REGION

**Krister Andersson**

**Vice President, Employers' Group, European Economic and Social  
Committee, EESC**

**Chairman, Tax Policy Group, BusinessEurope**

[Krister.Andersson@eesc.europa.eu](mailto:Krister.Andersson@eesc.europa.eu)

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## Tax Policy Issues

- **Which taxes should be used? Income taxes (payroll), Corporate taxes, Consumption/Expenditure taxes, Environmental taxes, Property taxes**
- **Which bases are stable and conducive to growth?**
- **How should tax revenues be allocated among countries?**
- **Environmental/Climate and SDG tax agenda?**

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Tax policy focussed on aggressive tax planning  
– Media and populism driving forces

***“It’s time big companies finally start to pay taxes”***

***Frans Timmermans – Eurovision Debate  
– 15 May***

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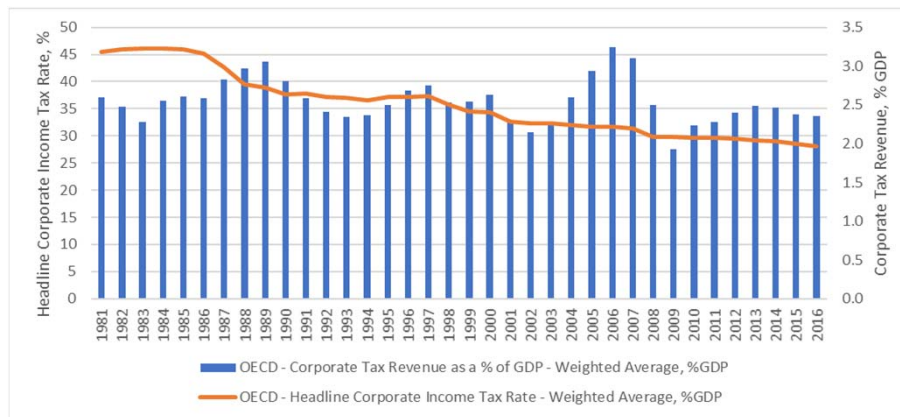
A need to go back to facts and figures

- **EU-Member States collected in 2016 €391.2 billion in corporate income taxes, about 6.8% of the total tax revenue collected in the EU that year (€6.6 trillion)**
- **According to the OECD, base erosion and profit shifting before implementation of BEPS-measures amounted to annual losses of USD 100 to 240 billion, i.e. some 0.4 per cent of GDP. In the EU 50-70 bn EUR, i.e. some 0.3 per cent of GDP.**

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PANEL I  
FUTURE OF GLOBAL TAX POLICY

## Corporate Tax Revenue as a % of GDP & Headline Corporate Tax Rate – OECD



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## Media/populism versus reality

- **Corporate tax revenues are NOT falling. As a matter of fact – they are increasing. This should not come as a surprise since digitalization enhances productivity**
- **However, corporate tax revenues are small in relation to GDP**
- **The corporate tax makes fewer investments economically viable and the burden – tax incidence – falls mainly on workers and consumers**

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## The Role of Taxes on Investment to Increase Jobs in the EU - An Assessment of Recent Policy Developments in the Field of Corporate Taxes

STUDY

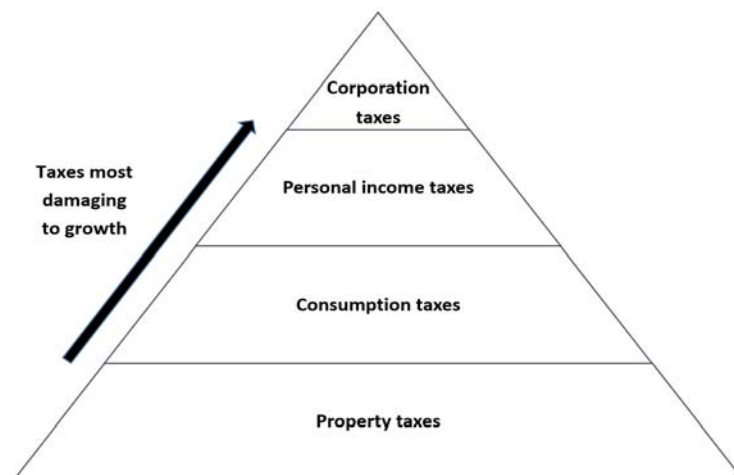


European Economic and Social Committee

<https://www.eesc.europa.eu/en/our-work/publications-other-work/publications/role-taxes-investment-increase-jobs-eu-assessment-recent-policy-developments-field-corporate-taxes>, July 2019.

7

## Corporate taxes found most harmful to growth by the OECD



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## How to split the cake

- **New taxation rules in the digitalized economy will apply to all businesses (threshold may apply)**
  
- **More revenues will be allocated to Market jurisdictions (consumption countries) in a unified approach;**

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## How to split the cake - continued

- **Reallocate a portion of the above normal profit of a multinational group to market jurisdictions irrespective of the location and/or residence of that business**
  
- **Establish a fixed return for certain “baseline” or routine marketing and distribution activities taking place in a market jurisdiction (likely to stretch the ALP to the limit)**
  
- **Allow market jurisdictions to go beyond the baseline level of functionality and therefore warrant a return in excess of the fixed return. Agreed dispute resolution mechanisms will be required?**

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But BEPS2 is not the end or even the beginning of the end

**There is a need to address:**

- **Sustainable growth, job creation,**
- **The burden of complex tax rules and reporting requirements,**
- **Increasing private investments to enhance productivity and wages,**
- **A climate and environmental tax agenda,**
- **Fulfilling the Sustainable Development Goals, SDGs and**
- **Inequalities; Absolute poverty is record low but stagnant or declining incomes in some regions**

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An upcoming EESC study

**Taxation/private investment and the Sustainable  
Development Goals - cooperation with the UN  
Committee of Experts on International  
Cooperation in Tax Matters**

Rapporteur: **Krister ANDERSSON**

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PANEL I  
FUTURE OF GLOBAL TAX POLICY  
*Euney Marie J. Mata-Perez*

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**PANEL I**  
**FUTURE OF GLOBAL TAX POLICY**

**MT&F**  
MATA-PEREZ · TAMAYO · FRANCISCO  
ATTORNEYS AT LAW

**THE FUTURE OF GLOBAL TAX POLICY IN  
THE ASIA-OCEANA REGION**

*By: Euney Marie J. Mata-Perez*

**President, Asia-Oceana Tax Consultants' Association**  
*Managing Partner*  
*Mata-Perez, Tamayo & Francisco Attorneys-at-Law*

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**MT&F**  
MATA-PEREZ · TAMAYO · FRANCISCO  
ATTORNEYS AT LAW

**HISTORY OF AOTCA**


- ▶ AOTCA was founded in 1992 by 10 tax professionals' bodies located in the Asian and Oceanic regions. It has expanded to embrace 21 leading organizations from 17 countries/regions and within them over 400,000 tax advisers.
- ▶ The foundation of AOTCA was attributed to the existence of the Confédération Fiscale Européenne (CFE), the international organization for tax advisors in Europe with a long history since 1959.
- ▶ On 6 November 1992 an inauguration meeting took place in Tokyo Japan with the attendance of representatives of founding member organizations from 8 countries and regions. Since then AOTCA has grown to a membership of 18 professional bodies from jurisdictions including Australia, China, Chinese Taipei, Hong Kong, Indonesia, Japan, Korea, Malaysia, Mongolia, Pakistan, Philippines, Singapore, Vietnam, and two associate members from Bangladesh and Sri Lanka.

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**PANEL I**  
**FUTURE OF GLOBAL TAX POLICY**



## **GENERAL OBJECTIVES**

- ▶ To promote mutual understanding and cooperation among the organizations whose memberships include tax consultants in the Asia Oceania region,
- ▶ To contribute to the expansion of the component members' businesses related to taxation and its related areas, and
- ▶ To promote friendship among the members.

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## **AOTCA MEMBERS**

Our members are organizations comprised of tax consultants, lawyers and professionals, established in the Asian and Oceanic region and with good standing as recognized by general consensus or domestic law in their own countries or regions.

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PANEL I  
FUTURE OF GLOBAL TAX POLICY

**AOTCA MEMBERS**

**MT&F**  
MATA-PEREZ-TAMAYO-FRANCISCO  
ATTORNEYS AT LAW

**BPH** Bekas Pegawai HASIL (ExRevenue)

**ctm** Chartered Tax Institute of Malaysia  
CHARTERED TAX INSTITUTE OF MALAYSIA

 China Certified Tax Agents Association

**CTCTAA** Chinese Taipei Certified Tax Agents Association

**CPA** Hong Kong Institute of Certified Public Accountants  
Hong Kong Institute of Certified Public Accountants  
香港會計師公會

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**AOTCA MEMBERS**

**MT&F**  
MATA-PEREZ-TAMAYO-FRANCISCO  
ATTORNEYS AT LAW

**IKPI** Indonesian Tax Consultants Association

 Institute of Public Accountants

 日本税理士会連合会  
Japan Federation of Certified Public Tax Accountants Association

**JTRI** JAPAN TAX RESEARCH INSTITUTE  
Japan Tax Research Institute

 Korean Association of Certified Public Tax Accountants

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PANEL I  
FUTURE OF GLOBAL TAX POLICY

**AOTCA MEMBERS**

**MT&F**  
MATA-PEREZ-TAMAYO-FRANCISCO  
ATTORNEYS AT LAW

-  Mongolian Association of Certified Tax Consultants
-  Pakistan Tax Bar Association
-  Singapore Institute of Accredited Tax Professionals
-  Tax Accountancy Association Union of Chinese Taipei
-  The Tax Institute (Australia)

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**AOTCA MEMBERS**

**MT&F**  
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ATTORNEYS AT LAW

-  Tax Management Association of the Philippines
-  Taxation Institute of Hong Kong
-  Vietnam Tax Consultants' Association

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**PANEL I**  
**FUTURE OF GLOBAL TAX POLICY**

**ASSOCIATE MEMBERS**

**MT&F**  
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ATTORNEYS AT LAW

 **Institute of Chartered Accountants of Sri Lanka**

 **Institute of Chartered Accountants of Bangladesh**

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**ACTIVITIES**

**MT&F**  
MATA-PEREZ-TAMAYO-FRANCISCO  
ATTORNEYS AT LAW

**Annual General Meeting** - AOTCA convenes a general meeting annually in collaboration with a host organization.

**International Tax Conference** - At the time of convening meetings, it holds the international tax conference on various tax issues in the region as well as international taxation.

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PANEL I  
FUTURE OF GLOBAL TAX POLICY

## ACTIVITIES

MT&F  
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ATTORNEYS AT LAW



**Signing of the Ulaanbaatar Declaration between AOTCA, the *Confédération Fiscale Européenne* (CFE) of Europe and the Western African Union of Tax Institute (WAUTI) of Africa.**

This brings tax advisors from Asia, Europe and Africa to a wider global platform, under the Global Tax Adviser's Platform (GTAP)

Manila Times News Article: <https://www.manilatimes.net/aotca-and-the-ulaanbaatar-declaration-of-tax-professionals/443295/>

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## GENERAL COUNCIL MEMBERS

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ATTORNEYS AT LAW



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FUTURE OF GLOBAL TAX POLICY



## GENERAL COUNCIL MEMBERS

<b>President</b>	Euney Marie J. Mata-Perez (TMAP)
<b>Deputy President</b>	Lee Chan Kyu (KACPTA)
<b>Secretary General</b>	Yoshimasa Tajiri (JFCPTAA)
<b>Treasurer</b>	Matsuoka Nobuaki (JFCPTAA)
<b>Vice Presidents</b>	Tracey Rens (TTI) Song Lan (CCTAA) Shinichi Kozu (JFCPTAA) Hung Ming Hsien (TAAUCT) Karmen Yeung (TIHK)

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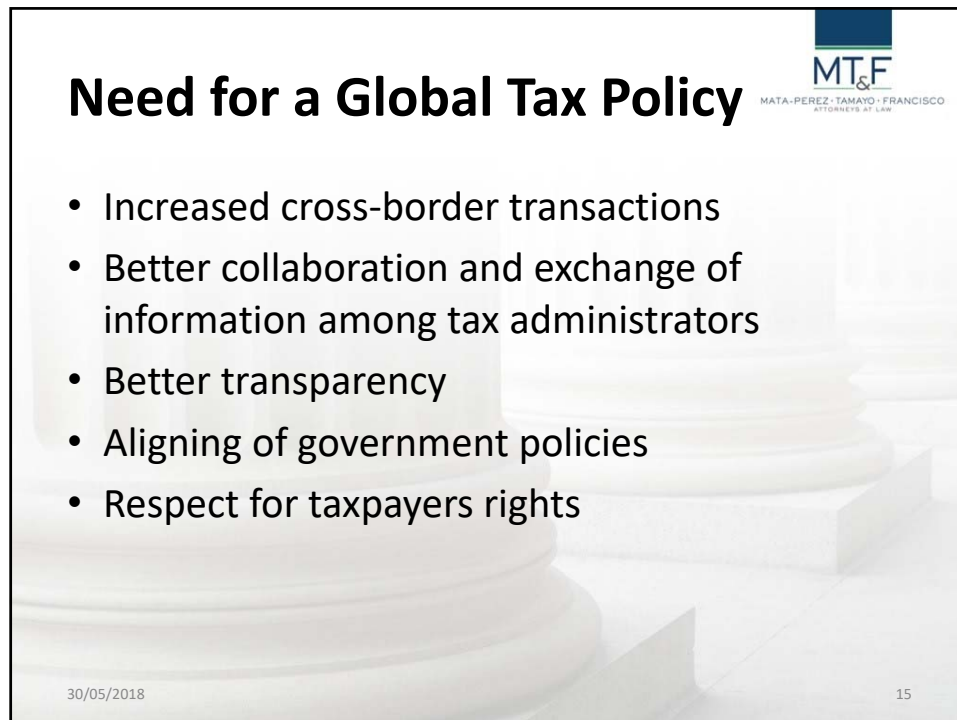
## Recognition in the International Tax Arena

- **SGATAR**
- Study Group on Asian Tax Administration and Research (SGATAR) was established in 1970 as an annual forum for tax administrator
- **BRITACOM**
- Belt and Road Initiative Tax Administration Cooperation Forum (BRITACOF)

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**Need for a Global Tax Policy**

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MATA-PEREZ-TAMAYO-FRANCISCO  
ATTORNEYS AT LAW

- Increased cross-border transactions
- Better collaboration and exchange of information among tax administrators
- Better transparency
- Aligning of government policies
- Respect for taxpayers rights

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**Challenges**

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ATTORNEYS AT LAW

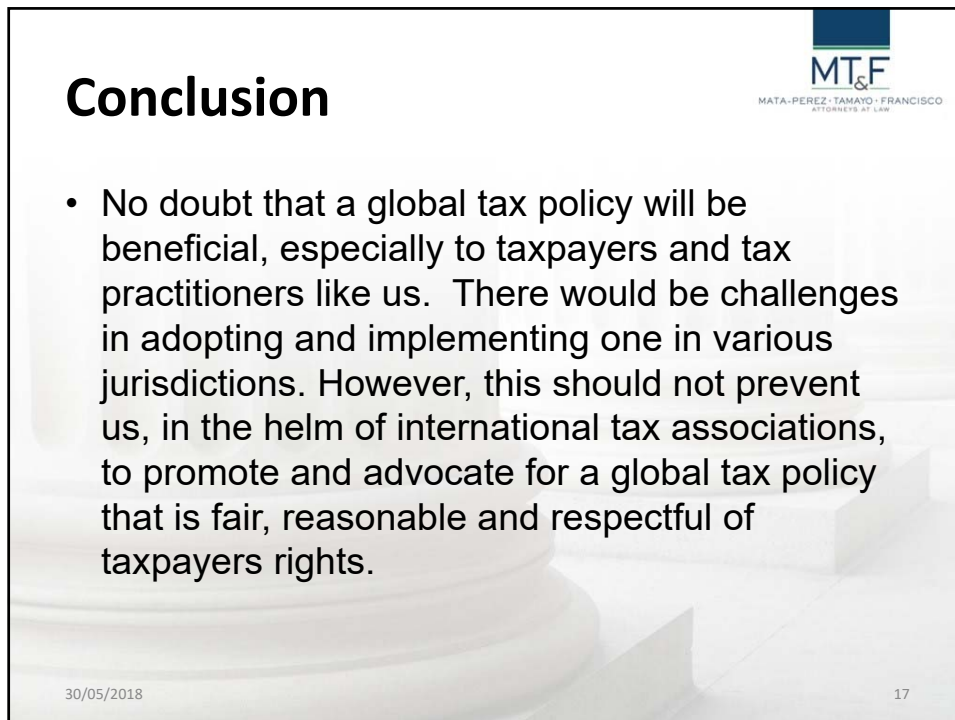
- Varying needs and thrusts of governments
- Varying technical capacity of governments
- Over-arching goal to raise revenues
- Diversity in culture
- Diversity in tax regimes
- Legal enforcement

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**PANEL I**  
**FUTURE OF GLOBAL TAX POLICY**



**Conclusion**

**MT&F**  
MATA-PEREZ-TAMAYO-FRANCISCO  
ATTORNEYS AT LAW

- No doubt that a global tax policy will be beneficial, especially to taxpayers and tax practitioners like us. There would be challenges in adopting and implementing one in various jurisdictions. However, this should not prevent us, in the helm of international tax associations, to promote and advocate for a global tax policy that is fair, reasonable and respectful of taxpayers rights.

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**MT&F**  
MATA-PEREZ-TAMAYO-FRANCISCO  
ATTORNEYS AT LAW

**THANK YOU**

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PANEL II

FUTURE OF CORPORATE INCOME TAX AND VAT

DIGITALIZATION OF THE ECONOMY

AND THE FUTURE OF TAXES

*João Félix Pinto Nogueira*

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**PANEL II**  
**FUTURE OF CORPORATE INCOME TAX AND VAT**



IBFD, Your Portal to Cross-Border Tax Expertise www.ibfd.org

## Digitalization of the economy and the future of taxes

**GATP conference "Tax & the future"**  
**Panel on the "Future of Corporate Income Tax and VAT"**  
**Dr. João Félix Pinto Nogueira, IBFD Academic**  
**Turim, 3 October 2019**

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João Félix Pinto Nogueira, PhD in Tax Law, is Deputy Academic Chairman of IBFD. He is also team manager of IBFD Academic and Adjunct Editor-in-Chief of the World Tax Journal and of the International Tax Studies. He is honorary associate Professor at the University of Cape Town. Prior to joining IBFD, he was a (visiting) post-doctoral researcher and lecturer at several universities and a lawyer at one of the most highly reputed tax law firms in Portugal.

His areas of expertise are international and European tax law, fields in which he has published a dissertation and several articles and book chapters. Prof. Dr Nogueira has more than 15 years of experience in teaching at both the graduate and post-graduate levels and is currently overseeing several master's courses on EU and international tax law, taught in different languages.


Dr Nogueira has extensive experience in supervising academic works (at the master's, doctoral and postdoctoral levels), including a number of prize-winning theses. He is regularly invited to present at conferences and seminars on both EU and international taxation and is frequently appointed as national reporter for Portugal. Besides his scientific activities at IBFD, he collaborates actively with research centres in several EU countries. For several years, Prof. Dr Nogueira served as co-arbitrator of the IBFD-KU Leuven International and European Tax Moot Court Competition, responsible for drafting the cases. Since 2017 he acts as a judge on the final oral rounds. His experience also comprises governmental consultancy, in which context he has been asked to assess, advise and train several tax authorities, including some of the most advanced in the world. He has lectured or been scientifically active in more than 30 countries in Europe, America, Africa and Asia.

Dr Nogueira is a member of the EATLP, IFA, IFA Portugal (Associação Fiscal Portuguesa) and IBDT. He is the Vice-President of the AFP / IFA Portugal. He is a member of the Permanent Scientific Committee of IFA Central, member and secretary of the Committee of URA Europe and the President of YIN-IFA Portugal. He is a member (and the scientific secretary) of the ECJ Task Force of the Confédération Fiscale Européenne. He is also a member of the Executive Board of the ILADT (Directorio) and of the General Council of the IFA. He is one of three members of the LOC (Local Organizing Committee) in charge of organizing the 2023 Annual Congress of the International Fiscal Association, which will be held in Lisbon. He is a member of the editorial board and council of several periodicals on international taxation and frequently acts as an external peer reviewer.

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**PANEL II**  
**FUTURE OF CORPORATE INCOME TAX AND VAT**




**Outline**

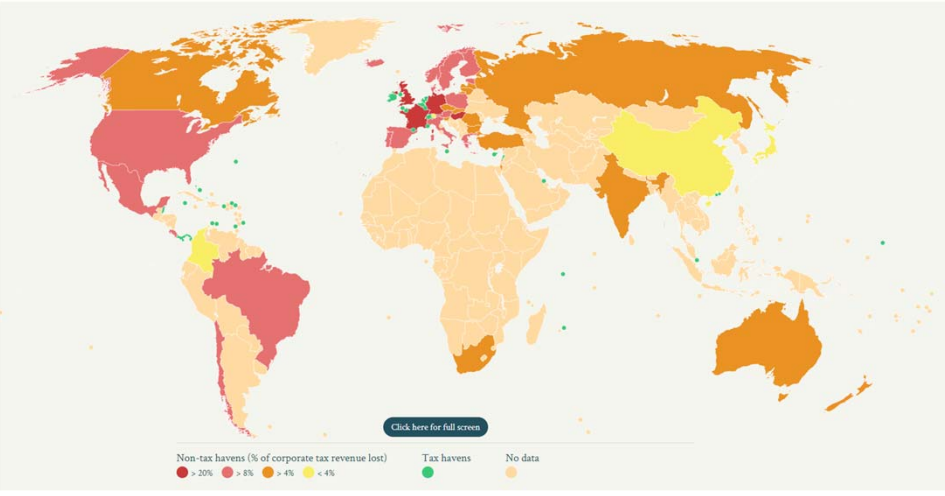
- 1. Introduction**
- 2. Unilateralism**
- 3. Multilateralism**
- 4. Concluding remarks**

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**1. Introduction**



Click here for full screen


Non-tax havens (% of corporate tax revenue lost):  
● > 20% ● > 8% ● > 4% ● < 4%

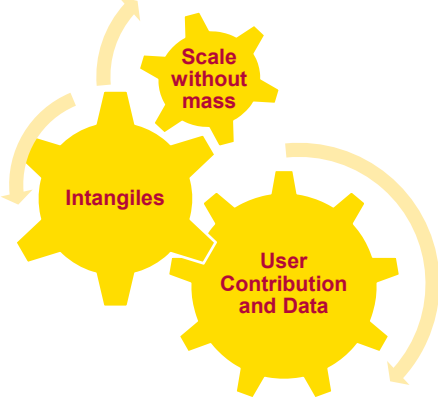
Tax havens: ●  
No data: ●

4 Source: <https://missingprofits.world/> (released 2019.09.23) @ IBFD / João Nogueira

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PANEL II  
FUTURE OF CORPORATE INCOME TAX AND VAT

 **1. Introduction**

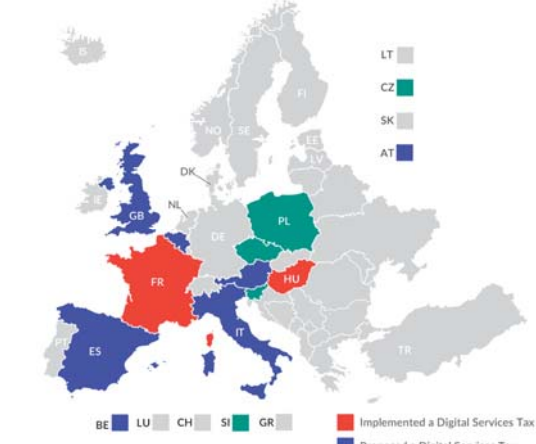


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 **2. Unilateralism**

Digital Services Taxes in Europe



Country	Implementation Status
BE	Proposed a Digital Services Tax
LU	Proposed a Digital Services Tax
CH	Proposed a Digital Services Tax
SI	Proposed a Digital Services Tax
GR	Proposed a Digital Services Tax
FR	Implemented a Digital Services Tax
HU	Implemented a Digital Services Tax
PL	Announced a Digital Services Tax
AT	Proposed a Digital Services Tax
LT	Proposed a Digital Services Tax
CZ	Proposed a Digital Services Tax
SK	Proposed a Digital Services Tax
Other countries (DE, NL, GB, DK, NO, SE, FI, EE, LV, IT, ES, PT, TR)	Not indicated

Sources: KPMG, Taxation of the digitalized economy; Bloomberg Tax, BEPS Tracker - Action 1, Digital Economy

TAX FOUNDATION @TaxFoundation

6 Source: <https://files.taxfoundation.org/20190717162806/DST-Countries-Final-01.png> @ IBFD / João Nogueira

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PANEL II  
FUTURE OF CORPORATE INCOME TAX AND VAT



## 2. Unilateralism

### *Fair and effective taxation*

Your task over the next five years will be to ensure that tax policies are fair, fit for the digital economy and make it easier for businesses and people to work across borders. We will need to adapt our tax systems to a changing labour market and new and emerging business models.

- You should lead international efforts to find an agreed approach on **digital taxation**, working with our partners in the Organisation for Economic Co-operation and Development and the G20. If no consensus emerges by the end of 2020, you should lead on the proposal for a fair European digital tax.

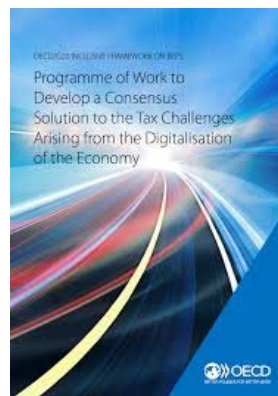
Source: 2019.09.10 Mission letter from President-elect Ursula von der Leyen to Commissioner Paolo Gentiloni  
[https://ec.europa.eu/commission/sites/beta-political/files/mission-letter-paolo-gentiloni\\_en.pdf](https://ec.europa.eu/commission/sites/beta-political/files/mission-letter-paolo-gentiloni_en.pdf)

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## 3. Multilateralism




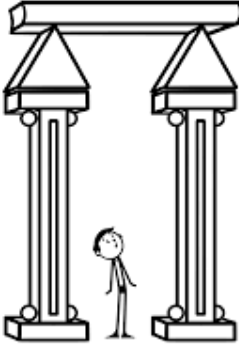
Source: OECD/G20 Inclusive Framework on BEPS, Programme of work to develop a consensus Solution to the Tax Challenges Arising from the Digitalisation of the Economy, 31 May 2019

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PANEL II  
FUTURE OF CORPORATE INCOME TAX AND VAT


 **3. Multilateralism**

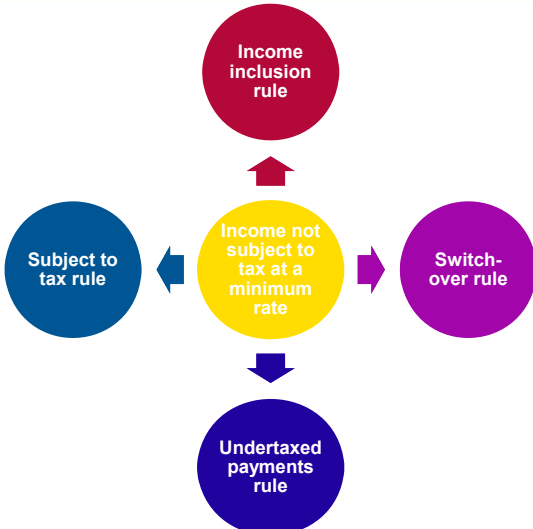


-Final version: 2019.10.17  
-Next public consultation: 2019.11.21-22  
-Meeting of the inclusion framework: 2020.01.29-30

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 **3. Multilateralism**




```
graph TD; A((Income not subject to tax at a minimum rate)) --> B((Income inclusion rule)); A --> C((Undertaxed payments rule)); A --> D((Subject to tax rule)); A --> E((Switch-over rule));
```

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**PANEL II**  
**FUTURE OF CORPORATE INCOME TAX AND VAT**




### 3. Multilateralism

- ▶ **Pilar I (combination)?**
  - ▶ Determination of residual profits
  - ▶ Sufficiency for reintroducing fairness
- ▶ **Pilar II**
  - ▶ Thresholds
  - ▶ Limited to abusive situations? Or applied generally?
  - ▶ Legitimacy (eg. pharmaceutical industry)
  - ▶ Developing countries: force to act as developed? Why to invest in a DC is infra-structures are worse and the tax rate is the same?
- ▶ **Common issues**
  - ▶ Proper assessment of BEPS
  - ▶ Changes in DTCs
  - ▶ Current role of value creation?

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### 4. Concluding remarks

- ▶ **Between principles and money**
- ▶ **Winners and losers: need for a political agreement!**
- ▶ **Profit-split between jurisdictions (pre-determined formula and adjustments based on "entitlement"?)**
- ▶ **Destination-based income taxation?**
- ▶ **Erosion of tax sovereignty?**



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**PANEL II**  
**FUTURE OF CORPORATE INCOME TAX AND VAT**




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  - ▶  [j.nogueira@ibfd.org](mailto:j.nogueira@ibfd.org)

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**PANEL II**  
**FUTURE OF CORPORATE INCOME TAX AND VAT**



**Many thanks!**

[j.nogueira@ibfd.org](mailto:j.nogueira@ibfd.org)

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PANEL II

FUTURE OF CORPORATE INCOME TAX AND VAT

THE FUTURE OF INDIRECT TAXATION

*John Voyez*

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PANEL II  
FUTURE OF CORPORATE INCOME TAX AND VAT



The future of Indirect Taxation

GTAP Conference  
Turin

John Voyez  
Smith & Williamson  
+44 (0)20 7131 4285  
John.Voyez@smithandwilliamson.com

3<sup>rd</sup> October 2019



1



“But what will they be saying about indirect taxes?”



2

**PANEL II**  
**FUTURE OF CORPORATE INCOME TAX AND VAT**



## Where have we come from?

- There have been many forms of indirect tax in the past based on sales and turnover, but VAT/GST gradually emerged as the “simplest” approach.
- For many years VAT/GST was a tax for the general tax adviser UNTIL
- Rates of VAT/GST started to increase globally AND
- VAT/GST planning became more developed, more sophisticated, and more aggressive.



3



## Where are we today?

- General reduction in corporate tax rates to encourage inward investment has promoted VAT/GST to replace lost tax revenues

*“Globalisation and the internet are eroding the tax base of sovereign nations and pushing corporate tax towards fiscal obsolescence. Receipts from company profits are in decline, unlike virtually any other big tax”*

*“Corporate tax is no longer the best source of revenues with an increase in global VAT rates, accelerated by a race to the bottom on corporate tax rates as governments aim to attract technology, pharmaceutical and other high value job creating industries”*
- VAT/GST is now a specialist tax with premium advisory rates
- The tax of choice for the IMF and OECD
- Over 160 countries worldwide have a tax based on turnover
- Corporation tax collected as a % of GDP has fallen by over 22% in last seven years, whereas VAT's share has risen by 4%



4

**PANEL II**  
**FUTURE OF CORPORATE INCOME TAX AND VAT**



## Where will the future take VAT/GST?

VAT/GST will be the main focus for governments globally in the future. Why?

- Digitalisation promotes a tax based on the place of consumption. Is DST really a turnover tax by another name?
- Wayfair case in America points to a change of thinking in the US.
- Increasing focus on compliance, with the decline of aggressive avoidance planning, and increasingly sophisticated software used by the tax authorities to attack fraud and close the tax gap.
- Increasing co operation between countries and exchange of information between tax authorities.
- EU tax gap 2017 €137.5bn or 11.2% of total tax revenues.
- Increasing use of IT to deliver both compliance (SAF-T) and advisory solutions with “real time” VAT accounting and use of block chain technology.
- Move to adopting same tax definitions for direct and indirect tax i.e. concepts of permanent establishment and business establishment. Need to be fit for purpose in a digital world.
- Ongoing reform of the VAT/GST system to meet modern challenges e.g. extension of MOSS in the EU has been endorsed by OECD.

VAT/GST is more suited to the modern digital world than direct taxes.



5

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PANEL III

FUTURE OF THE GLOBAL TAX PROFESSION

*Nii Ayi Aryeetey*

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**PANEL III**  
**FUTURE OF THE GLOBAL TAX PROFESSION**



**GLOBAL TAX ADVISERS PLATFORM (GTAP)**  
**INAUGURAL TAX CONFERENCE**  
**TORINO INCONTRA, ITALY (3<sup>RD</sup> OCTOBER, 2019)**

**THEME: TAX & THE FUTURE**

**PANEL III - FUTURE OF THE GLOBAL  
TAX PROFESSION**

**BY**

**NII AYI ARYEETAY**

**(IMMEDIATE PAST PRESIDENT – WEST AFRICA UNION OF TAX  
INSTITUTES (WAUTI))**

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**PRESENTATION OUTLINE**

- **Components of the Global Tax System**
- **Contemporary trends in the Global Tax System**
- **Locus of the Tax Professional in the Global Tax System**
- **The Tax Professional of Tomorrow: Essential Skills-set for the future**
- **Conclusion - Strategic re-orientation for the future**

2

## **COMPONENTS OF THE GLOBAL TAX SYSTEM**

- **National Tax Systems - comprising Tax Authorities, Taxpayers and Tax Advisers/Intermediaries operating within their jurisdictions and interacting with other players/bodies beyond their territories;**
- **Multinational Enterprises - operating without frontiers and having effects across jurisdictions;**
- **International and Supranational regulatory and advisory bodies, playing key influential roles;**
- **Digital Services Providers; applying Artificial Intelligence and data analytics skills to produce software or technical e-solutions to address specific aspects of the tax function**

3


## **CONTEMPORARY TRENDS IN THE GLOBAL TAX SYSTEM**

- **Business operations are becoming increasingly integrated and digitally enabled. (eg. financial transactions, procurement, legal and supply-chain issues are automatically recorded or converted into electronic form).**
- **The Global Tax System is characterized by complex interlinked series of actions and business processes, involving multiple entities with impact that extend far beyond the confines of national boundaries.**
- **A number of tasks routinely performed by Tax Professionals are being addressed by the application of electronic solutions.**

4




## **LOCUS OF THE TAX PROFESSIONAL IN THE GLOBAL TAX SYSTEM**

- 
- **“Tax Professionals” – includes persons engaged at professional level with tax consultancy as lawyers, or as accountants, and accredited as such pursuant to applicable national law irrespective of membership of GTAP. (*GTAP - Ulaanbaatar Declaration*)**
  - **The Tax Professional provides interpretative advice for competent application of the tax laws and requirements in line with each business/taxpayer’s circumstances.**
  - **In the light of current trends, Tax Professionals must globalize and digitalize by acquiring new skills-sets to function effectively and remain relevant.**
- 5

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## **THE TAX PROFESSION OF TOMORROW: Essential Skills-set for the future**

- 
- **To complement the extensive technical knowledge required for competent application of complex tax laws and requirements, the Tax Professional of the future must develop:**
  - ✓ **New skills and an understanding of how cutting-edge technologies (Artificial Intelligence, Robotics and Automation) are applied in carrying out tax functions.**
  - ✓ **The capacity to extract, analyze and validate real-time data, to ensure that appropriate tax rules are applied to the information the data provides.**
- 6

6

## Essential Skills-set for the future (Cont'd)

- ✓ Broader relationships and engagements across the “C-Suite” beyond finance, working through complex business decisions and risk management issues in meeting the needs of both Taxpayers and the Revenue Authorities.
- ✓ For emerging/transition economies, develop simplified, cost-effective technical tools for efficient tax-management of business activities in the informal sector.

7

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## CONCLUSION

- Strategic re-orientation for the future; in terms of:
  - Technical capacity, professional training & Accreditation;
  - Recognition – the Tax Professional perceived and appreciated as an *Enabler of Tax Compliance*, rather than a facilitator of tax avoidance.
- ❖ The Global Tax Profession of the Future should see Tax Professionals engaged in concerted actions to establish the right global tax environment to *ensure that any person with a tax liability pays the right amount of tax, at the right place at all times*

THANKS FOR YOUR ATTENTION

8

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PANEL IV

FUTURE OF BUSINESS MODELS AND TAX  
SUSTAINABILITY

CYBER-THREAT

*Eric Herren*

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2

**PANEL IV**  
**FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY**





*Data on the internet*

1`200 petabytes = 1.2 million terabytes  
 1 terabyte = 1`000 gigabytes  
 1 gigabyte = 1`000 megabyte

“ A full HD motion picture (8 gigabyte) takes 1 hour and 6 minutes to download with a top speed internet connection” (16`000 kbits/sec)




Data on content



Data on data is Metadata

3



*Spying on metadata*

**“Metadata of 60 leading phone Apps was sold recently to a private German company!”**

**«Metadata tells you everything about somebody's life. If you have enough metadata you don` t really need content»** Stewart Baker, former General Counsel at the NSA

Why metadata matters:

- They know you rang a phone sex service at 2.12 am and spoke for 16 minutes. But they don` t know what you talked about.
- They know you called the suicide prevention hotline from the Viadotto Italia Bridge. But the topic of call remains secret.
- They know you spoke with an HIV testing service, then your doctor, then your health insurance company in the same hour. But they don` t know what was discussed.

**The use of Artificial Intelligence (AI) and sophisticated Algorithms makes privacy and anonymity terms of the past!**

4

**PANEL IV**  
**FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY**

Samples of cyber crime

**Reality or fake ?**

- Advanced technology and the use of AI allows to generate a fake environment.
- Social Media and the availability of metadata supports the social engineering process, that makes it difficult to separate friend from foe.
- Blockchain technology and the automated networking of data transfer makes it almost impossible for law enforcement to track down the perpetrators.

PRO CYBER NEWS

**Fraudsters Used AI to Mimic CEO's Voice in Unusual Cybercrime Case**

Scams using artificial intelligence are a new challenge for companies

Data News Artificial Intelligence News News

**Media manipulation by Deepfakes and cheap fakes require both AI and social fixes, finds a Data & Society report**

5

Are you a preferred target ?

The Social Engineering Attack Cycle

1

Information Gathering

2

Development of Relationship

3

Exploitation of Relationship

4

Execution to Achieve the Objective

Motivation versus operational capability

6

**PANEL IV**  
**FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY**

*What can be done ?*

OPERATION MATRIX							
	RECONNAISSANCE		INSTRUCTION AND PREVENTION			RESISTANCE	
	Threat Perception	Threat Analysis	Risk Analysis	Instruction Prevention	Lessons Learned	Knowledge Transfer	Sensitization
TECHNOLOGY	Web Int DAT	Geoframing DAT	Red Teaming Intrusion	Modus Operandi Examples	Database Examples	Workshop Scenarios	News Meetings Forums
HUMAN	Monitoring DAT	Web Int Seeker Dunami	Profiling „securityness“	Modus Operandi Examples	Database Events	Projects Training Courses	Public Relation News
PROCESSES	Counter Int DAT	Network Analysis Interfaces	Social Engineering Intrusion	Flexibility	Database Examples	Scenarios Examples	News Meetings Forums

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PANEL IV

FUTURE OF BUSINESS MODELS AND TAX  
SUSTAINABILITY

*Massimo Getto*

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PANEL IV  
FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY

CFE tax advisers europe

ANTI ASSOCIAZIONE NAZIONALE TRIBUTARISTI ITALIANI

GTAP tax advisers global platform

Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili

**GLOBAL TAX ADVISERS PLATFORM (GTAP) CONFERENCE**

**“TAX & THE FUTURE”**

TURIN | OCTOBER 3, 2019

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To be effective, be responsive.  
To be responsive, use data.

Turin | October 3, 2019

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FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY

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**MASSIMO GETTO**

- Vice President & CFO of Viasat Group since 2006
- Extensive background in Finance and Administration and excellent track record of M&A consolidation
- Granted the CFO Award 2017 and the Winner of Annual Report Award 2009
- Previously CFO at Tecdis (Joint Venture Seiko-Olivetti)

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The quest for certainty blocks the search for meaning. Uncertainty is the very condition to impel man to unfold his powers.  
Erich Fromm







“It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to *change*.”  
-Charles Darwin, 1809

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## PANEL IV

### FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY



**Prediction** is the process of filling in **missing information**. **Prediction** takes information you have and uses it **to generate information** you don't have.

**Prediction techniques:** classification, clustering, regression, decision tree, Bayesian estimation, neural network, topological data analysis, deep learning...

5



**#** In today's economy **controlling information** means **controlling the World**. **Information** reduces **uncertainty**.

**#** **Ultimate power is in the hands** of whoever is able to gather, **store and share data**.

**#** **Better data, models and computers** are at the core of progress and progress in prediction.

6

PANEL IV  
FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY

We believe that our solutions can improve the life of people and that of companies. We believe that complexity can be governed by simplicity. We believe that passion and creativity are essential for technological innovation and the evolution of man. We believe that a dream is only a dream, until you decide to make it true.



Our mission is to realize instruments and solutions that transform data to help our customers reach ever more ambitious objectives and targets.



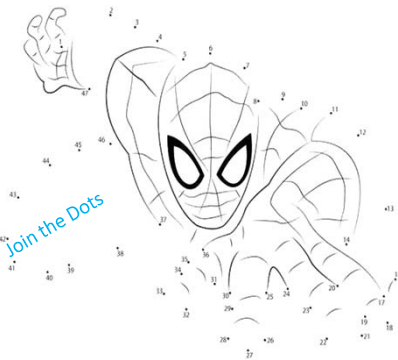
DATA INFORMATION KNOWLEDGE OPPORTUNITY BUSINESS

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Data can be structured, [semi-structured](#) and [unstructured](#), for example, Internet [clickstream](#) data, web server [logs](#), social media content, text from customer emails and survey responses, mobile phone records, and machine data captured by [sensors](#) connected to the Internet of Things (IoT).



*Data analytics is the process of examining large and varied data sets (typically consisting of billions of trillions of records that are so vast and chaotic to be called big data) to uncover information, such as hidden patterns, unknown correlations, market trends and customer preferences, that can help organizations make informed business decisions.*

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**PANEL IV**  
**FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY**






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Driven by specialized analytics systems and software, as well as high-powered computing systems, big data analytics offers various business benefits, including:

- New revenue **opportunities**
- More **effective** marketing
- Better **customer** service
- Improved operational **efficiency**
- **Competitive** advantages over rivals

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“ May, in spite of all distractions generated by technology, all of you succeed in turning information into knowledge, knowledge into understanding, and understanding into wisdom (*Edsger Dijkstra*) ”

Technological change makes things that were once expensive, cheaper. Such significant price drops create opportunities to do things we have never done, making the impossible possible.

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PANEL IV  
FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY

VIASAT GROUP logo and GTAP tax advisers global platform logo.

- + More data means less privacy -
- + More speed means less accuracy -
- + More autonomy means less control -




The best strategy for your company or career or country will depend on how you weigh each side of every trade off.


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VIASAT GROUP logo and GTAP tax advisers global platform logo.

### Big Data Characteristics

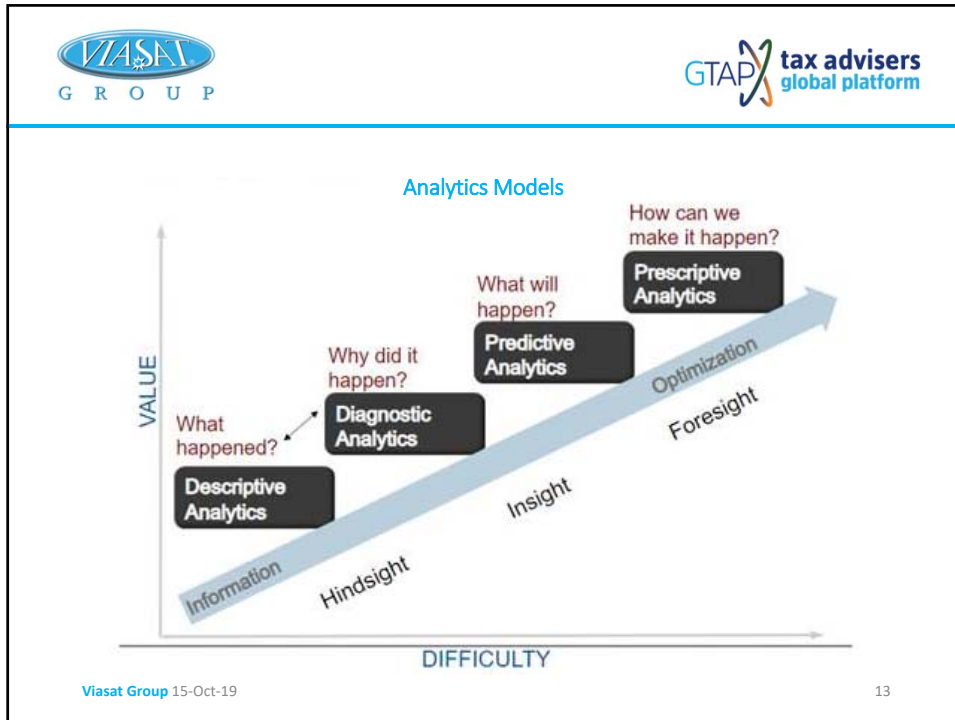
-  **Growing quantity of data**  
e.g. social media, behavioral, video
-  **Quickening speed of data**  
e.g. smart meters, process monitoring
-  **Increase in types of data**  
e.g. app data, unstructured data



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FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY



13

If we don't change our minds, technology is simply useless



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**PANEL IV**  
**FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY**



## THANK YOU

- We have to adapt to changes
- Prediction Machine
- Big Data and paradigm shifts
- Our Vision and Mission
- What are data?
- Benefits
- It can make the impossible possible
- We have to find the best trade-off between
- Big Data Characteristics
- Analytics Models
- Change your Mindset

**MASSIMO GETTO**

VICE PRESIDENT & CFO VIASAT GROUP S.P.A.



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PANEL IV

FUTURE OF BUSINESS MODELS AND TAX  
SUSTAINABILITY

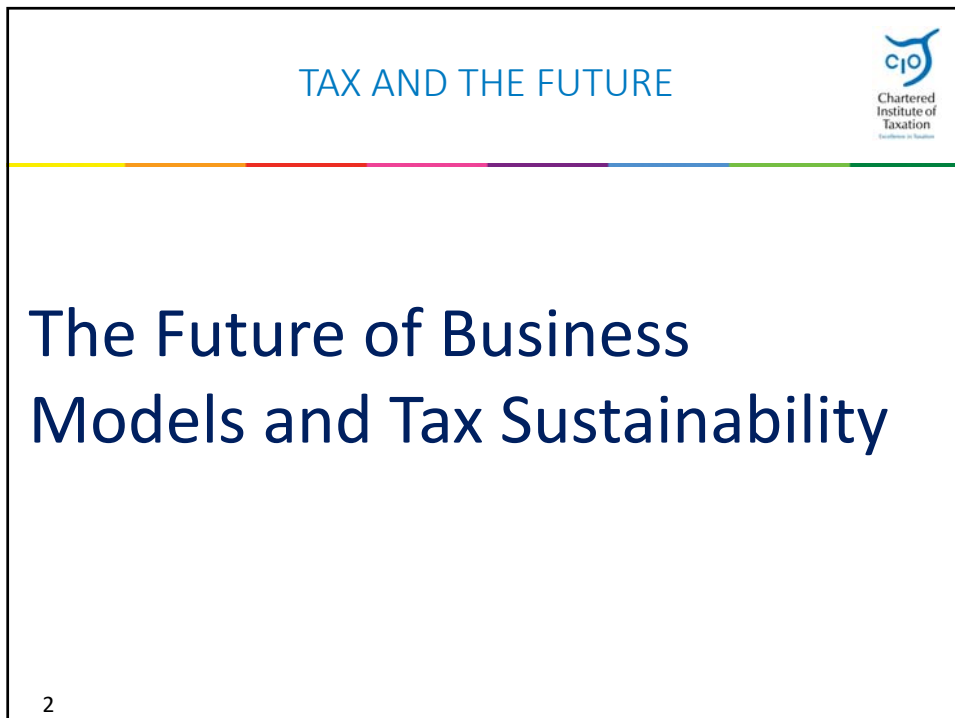
*Glyn Fullelove*

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PANEL IV  
FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY




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PANEL IV  
FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY

The issues



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**Business Models**

- Digital
- Digitalised
- Tax response – a multi-tiered system?
- *Are we heading for unsustainability?*


**Corporate Sustainability and Tax**

- Tax Authority Transparency
- Public Transparency
- *Sustainable rates and sustainable companies*

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3

Business Models



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Digital	Digitalised
<ul style="list-style-type: none"><li>• New elements in supply chain</li><li>• Regulators struggling to keep up</li><li>• Data dependent</li><li>• Winners in their category</li></ul>	<ul style="list-style-type: none"><li>• Simplified supply chain</li><li>• Regulation already largely in place</li><li>• Data users</li><li>• Survivors from prior eras.</li></ul>

**New tax rules for one, both, neither?**

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## OECD Proposals



- New (Same) tax rules for both digital and digitalised
- High thresholds
- Two tier system
- The upper tier will have additional and complex rules
- Even more specialisation for tax advisers
- New business line – allocation issues and disputes?

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## A Three Tier System?



### The top tier split into two?

- Intangible profits – taxed at minimum rate because already in low tax jurisdictions?
- Tangible profits – local rates?

### The lower tier

- “Smaller” businesses – local rates (with access to some lower rates through local incentives) *or*
- Simplified systems?

*Is this acceptable? Is it sustainable?*

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## Trust and Transparency



### Tax Authority Transparency

- Information to support returns
- Enable authorities to assess risk and raise questions
- Increasingly real time
- Data heavy
- Confidentiality rather than privacy

### Public Transparency

- Explain why you pay the taxes you pay
- Commit to paying what you should
- Understanding is more important than a data dump
- You are entitled to proportionate privacy

Transparency fundamental to Trust and Trust fundamental to Transparency  
Public needs to know Tax Authority is resourced to deal with information, and will keep it confidential

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## Tax and Sustainability



- The *sustainable tax rate* survives tax authority transparency
- The *sustainable company* survives public transparency around its taxes

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PANEL IV

FUTURE OF BUSINESS MODELS AND TAX  
SUSTAINABILITY

VAT SCENARIOS

*Gilberto Gelosa*

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**PANEL IV**  
**FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY**




Consiglio Nazionale  
dei Dottori Commercialisti  
e degli Esperti Contabili



**PANEL IV**  
**FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY**  
**VAT SCENARIOS**


*CFE CONGRESS*  
*Turin, 3<sup>rd</sup> October 2019*

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**FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY**  
**VAT SCENARIOS**



**VAT GAP**  
(difference between expected and collected)  
EU study 09/04/2019: € 137 billions VAT (€ 150 billion in previous years)  
(top: Italy € 33,5 billions / Rumania 36%)  
↓  
**HIGHLIGHT**  
Comprehensive reform of VAT rules  
Cooperation between member states

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**FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY**  
**VAT SCENARIOS**

**DEFINITIVE REGIME**

- No more intra-EU transactions
- VAT taxed not in origin but in destination country
- VAT cashed with destination country rates by the origin supplier who pays it to its state

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**FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY**  
**VAT SCENARIOS**

**Step by step:**

- To reach a definitive VAT regime of taxation in destination country (4/7/2018): 7/1/2022 (first phase)
- EU commission action plan, executed by modifying Dir 2006/112/EU and related regulations (12/4/2018)
- Two phases:
  1. New VAT regime BTB intra-EU for not certified subjects (VAT one stop shops - 7/1/2022) – others: purchases debtors of VAT
  2. Extension of new regime to all transactions sales

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VAT SCENARIOS

GTAP tax advisers global platform

CURRENT SITUATION

Approved directives  
Approved directives not yet in force  
Not yet approved directives

Verifying of approved text

Sometimes countries anticipate some rules (i.e. Italy marketplace)

↓

Confusion moment

↓

CNDCEC doc: VAT Future scenarios, 09/2019 to make the point

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GTAP tax advisers global platform


MUST

- Simplification
- Fraud avoidance
- Efficiency
- Trust between VAT operator and Tax Agencies and between members Tax Agencies
- (VAT collection)

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**VAT SCENARIOS**



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**VAT RATES**  
Proposal 1/18/2018  
Taxation in the destination country  
↓  
Suppliers shall have no more significant benefit due to  
establishment in countries with VAT lower rates  
↓  
but safeguard measures are needed  
list of goods and services subject to ordinary rates

**FURTHERS**

- PMI: proposal to reduce inefficiency
- reverse charge compulsory regime (transaction over € 17.500 –  
fraud over 25% tax gap)


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**VAT SCENARIOS**



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**QUICK FIXES (2020)**  
(transitorily measures 10/2018)

1. VAT rules simplified for call of stock
2. VAT number of purchase will be substantial and not only formal
3. VAT rules simplified for chain sales
4. VAT rules simplified for intra-EU sales


Explication notes dated 9/26/2019

Due date 1/1/2020

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**VAT SCENARIOS**



VAT identification number  
DIR 2119/1910 (mod. dir. 2006/112)  
Substantial requirement to be exonerated

- purchaser identified in a country different from the one where the expedition or transport originates (VIES system): no identification number


Exemption:

- communication of the VAT identification
- summary intra-EU list of the purchases

Due date: 1/1/2020 up to 6/30/2022


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**VAT SCENARIOS**



CALL OF STOCK  
DIR. 2018/1910 (mod. dir. 2006/112)  
Supplier country A  
↓  
Transport to country B (purchaser B is already identified)  
Sale only when consignment is made (transfer of ownership) to  
the purchaser

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**VAT SCENARIOS**



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Condition: within 12 months since delivery  
Purpose: to avoid A to be identified in country B  
Solution: sale in A – purchase in B  
Requirements: - register of transported goods (both for A and B)  
- identification of purchaser B in the intra-EU model


Further details for rendering, substitution, sale in a third country

Due date: 1/1/2020

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**VAT SCENARIOS**



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**SALES CHAIN**  
DIR. 2018/1910 (mod. dir. 2006/112)

Conditions:

1. Unique intra-EU transport of goods
2. Multiplied sales of above goods

Seller → intermediate → purchaser (at least three subjects)  
A                      B                      C

Exception: B must communicate country C to A



Condition: transport made by intermediate

Due date 1/1/2020

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 **FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY**   
**VAT SCENARIOS**

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**COOPERATION BETWEEN MEMBER COUNTRIES**

Reinforcement to fight tax fraud

EU regulation 10/2/2018 nr. 1541

EU regulation 7/2/2019 nr. 1129



EU regulation 1909/2018 exchange of information automatic access (call of stock)

EU regulation 12/4/2018: proof of transfer: *OMISSIS*

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 **FUTURE OF BUSINESS MODELS AND TAX SUSTAINABILITY**   
**VAT SCENARIOS**

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**TRADING ONLINE OR ELECTRONICAL MARKET**  
(telecommunication, TV and radio broadcasting, electronical services)

EU Dir. 2017/2455 dated 12/5/2017  
**NOT ESTABLISHED SUBJECTS**

Place: country of the user

↓

- Identification or
- VAT representative

↓

or MOSS


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Exemption:

- € 10.000 net VAT
- Private clients

↓

Rules of established country (no identification, no MOSS - Mini One Stop Shop)


- 12/31/2018

INTRA-EU DISTANCE SALES  
1/1/2021  
some rules as above

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**VAT SCENARIOS**



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MARKETPLACE DISTANCE SALE

- Vat payment due by marketplace in the country of destination
- Legal fiction of purchase or import through the marketplace
- Marketplace is obliged to the relevant communication of the sales
- Italian law enforcement 12/14/2018 n. 135 communication fulfilment by rule 661/2019: too fast and partially solidarity tax responsibility

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## Verso un sistema fiscale più giusto ed efficiente: i fondatori della GTAP firmano la Torino-Busan Declaration

**TORINO 03 OTTOBRE 2019**



Il 3 Ottobre, in occasione della conferenza inaugurale della Global Tax Advisers Platform (GTAP) a Torino, i membri fondatori della GTAP hanno firmato la Torino-Busan Declaration. In questo documento, la GTAP presenta le quattro priorità a breve termine che definiranno il lavoro della piattaforma nel perseguimento del suo obiettivo principale: la promozione dell'interesse pubblico assicurando un equo ed efficiente funzionamento del sistema fiscale, a livello nazionale ed internazionale.

Lo scorso 3 Ottobre ha avuto luogo la conferenza inaugurale della [Global Tax Advisers Platform \(GTAP\)](#). L'evento si è tenuto presso il Centro Congressi "Torino Incontra" di Torino, ed ha riunito esperti e consulenti fiscali provenienti da tutto il mondo per un'intera giornata di discussioni intorno ad un tema centrale, "Tasse e Futuro".

Durante la conferenza, i membri fondatori della GTAP hanno firmato la **Torino-Busan Declaration**, un documento vincolante in cui vengono definite le quattro priorità da seguire per permettere il raggiungimento dell'obiettivo primario della piattaforma: dare una forma ai recenti sviluppi nel campo della tassazione globale ed assicurare il giusto ed equo funzionamento dei meccanismi fiscali nazionali ed internazionali.

L'obiettivo della Torino-Busan Declaration è quello di raggruppare gli sforzi dei membri della GTAP intorno a quattro priorità chiave, in modo da attirare l'attenzione generale sulla necessità di riconoscere i diritti e gli interessi dei contribuenti ed il ruolo dei professionisti fiscali.

Le quattro priorità elencate nel testo della Torino-Busan Declaration sono:

- **Tasse per la Crescita – Tax for Growth;**
- **Politiche Fiscali Sostenibili - Sustainable Tax Policies;**
- **Tasse e Digitalizzazione – Tax and Digitalisation;**
- **I Diritti dei Contribuenti e la Sicurezza in un Mondo Frenetico - Taxpayers' Rights and Certainty in a Fast-Paced World.**

Una copia della Torino-Busan Declaration sarà reso disponibile sul [sito web](#) della CFE a tempo debito.

Per maggiori informazioni, contattare:

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## NOTA PER GLI EDITORI

La GTAP è un'iniziativa internazionale nata dalla stretta cooperazione tra la CFE Tax Advisers Europe (CFE), la Asia-Oceania Tax Consultants' Association (AOTCA) e la West Africa Union of Tax Institutes (WAUTI), le quali tutte insieme rappresentano più di 600,000 consulenti fiscali in Europa, Asia ed Africa.



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# THE TORINO-BUSAN DECLARATION

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4 SHORT-TERM PRIORITIES  
IN INTERNATIONAL TAXATION

THE  
TORINO-BUSAN  
DECLARATION

[3 OCTOBER 2019]

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**GTAP is an international organisation uniting tax professionals from around the world.** The term “tax professionals” includes persons engaged at professional level with tax consultancy, as lawyers or as accountants, and accredited as such pursuant to applicable national law, irrespective of membership of GTAP.

**The principal purpose of GTAP is to promote the public interest by ensuring the fair and efficient operation of national and international tax systems including recognition of the rights and interests of taxpayers and the role of tax professionals.** To this end, GTAP provides the forum for the regular meeting, exchange programme, dialogue and interaction of tax experts from all continents.

On the occasion of the coinciding GTAP meetings in Torino and in Busan, **GTAP is hereby defining 4 key short-term priorities for the pursuit of its principal purpose and aspiring to contribute and shape contemporaneous developments in global taxation.**

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## THE TORINO-BUSAN DECLARATION

### 1. Tax for Growth

Welfare and progress of the global community presupposes continuous development at a sustainable rate. Taxation is one of the main factors influencing growth and development. It has been evidenced that the distribution of the tax burden can encourage or discourage economic development. Moreover, tax policy determines the key direction of development, e.g. from gender-responsive & equality-promoting policies to sustainable environmental protection.

Constructing a global tax framework that encourages stable economic growth, widely diffused around the globe and oriented towards improvement of living conditions for all is one of GTAP's principal aspirations.

Developing countries, and the rate of economic growth, are particularly affected by the new trends in international taxation. Working together, we are committed to promoting inclusive and growth-inducing taxation policies. In particular, we share the commitment to improving tax morale as a policy course of action with the most meaningful impact on capacity building and economic growth.

GTAP members aspire to promote policies on increased tax certainty and voluntary compliance as a means for improved tax good governance.

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## 2. Tax and Climate Change – Sustainable Tax Policies

Climate changes affects us all. Indeed, the intention of a carbon tax is environmental, to reduce emissions of carbon dioxide and thereby slow climate change. GTAP members aspire to share their unique knowledge on tax with governments and other international stakeholders in the process of transition to a low carbon global economy.

Tax policy is a key tool to internalise environmental costs and foster the transition to a low carbon economy, for the generations to come. Future-proof tax systems are an equilibrium between today's public finance needs and tomorrow's sustainable policies.

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### 3. Tax and Digitalisation

Today, growth is defined largely within the digital framework. Digital technologies have become an integral part of business and everyday life and their impact is expected to expand over time. Therefore, a global approach to dealing with the digital side of the economy is essential.

Digitalisation is simultaneously advancing and disrupting trends in technology, transportation, education and healthcare. Identifying tax rules that can inspire consensus of national legislators around the globe is essential to foster this digital era for the service of humanity.

In the area of taxation, digitalisation exacerbates the perceived mismatch between where the value is created and where taxes are paid, which affects the perception of fairness in our tax systems, across borders and nations. Therefore, these significant cross-jurisdictional issues merit a global response, whilst the new “single global tax jurisdiction” demands rules of broad consensus.

We are ready to embrace this change. Due to the fast-paced change of the digital environment, today’s solutions must be future-proof and consistent with the principle of aligning profit with underlying economic activities and value creation. GTAP calls for a coordinated international tax policy response to the challenges posed by digitalisation.

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#### **4. Taxpayers' Rights and Certainty in a Fast-Paced World**

Sustainable growth is contingent on effective tax compliance. As such, taxpayers' active and willing compliance ensures more efficient collection of sufficient resources, necessary for fulfilment of the social contract between citizens and governments. When taxpayers' rights are not sufficiently guaranteed, taxpayers' active and willing compliance is undermined. A tax framework that cannot adequately address the current evolving reality results in uncertainty at the expense of tax compliance and economic growth.

Consequently, in a dynamic global economic framework, taxpayers' rights should serve as a beacon of certainty. Certainty with equity, simplicity, and convenience have been noted as the ingredients of an efficient tax system.

GTAP underlines the fundamental importance of taxpayers' rights for tax good governance, and the role played in this respect by the statements of taxpayer, and tax administration, rights and obligations.

To this end, GTAP members urge governments and international bodies to promote a "fundamental right of tax certainty". This right is promulgated in the Model Taxpayer Charter, an initiative of GTAP organisations, CFE Tax Advisers Europe, AOTCA and STEP.



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**Founders:**

**CFE**



**AOTCA**



**WAUTI**







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Observers:

IAFEI



STEP



AMA



CDPT



CENTRO DI DIRITTO PENALE TRIBUTARIO  
CENTRE DE DROIT PENAL FISCAL  
CENTER FOR CRIMINAL TAX LAW