



AGENDA

WEDNESDAY 7 NOVEMBER 2012

12.00 – 14.00	REGISTRATION
14.00 – 14.30	OPENING SESSION <ul style="list-style-type: none">• Welcoming statements• Background and objective of the Global Forum on VAT Chair: Rintaro Tamaki, Deputy-Secretary General, OECD Panellists: Pascal Saint-Amans, Director, Centre for Tax Policy and Administration, OECD Manfred Bergmann, Director, European Commission Richard Brown, Chair of Working Party N° 9 on Consumption Taxes
14.30 – 15.45	SESSION 1 : IMPLEMENTING A VAT – A GLOBAL PERSPECTIVE (<i>plenary session</i>) <p>This session aims to set the scene by providing an overview of the current VAT landscape, recent VAT experiences around the world and indications of likely challenges for the future of VAT. The following topics will be covered:</p> <ul style="list-style-type: none">• VAT policy and administrative developments - A worldwide overview• Implementing VAT in emerging and developing economies• Operating VAT in a Regional Trading Bloc - The EU Experience• Managing the VAT risk - A business perspective Chair: Michael Lang, WU, Vienna University of Economics and Business Panellists: Michael Keen, Deputy Director Fiscal Affairs Department, International Monetary Fund S. Jain, Officer on Special Duty, Ministry of Finance, India Donato Raponi, Head of Unit VAT and other turnover taxes, European Commission William Morris, Chair of BIAC Tax Committee (Business and Industry Advisory Committee)
15.45 – 16.15	Coffee Break
16.15 – 17.30	SESSION 2 : APPLYING VAT TO INTERNATIONAL TRADE – THE CHALLENGE OF ECONOMIC GLOBALISATION (<i>break-out sessions</i>) <p>This session explores challenges to the principle of “taxation at destination”, the standard for applying VAT in an international context where exports are zero-rated and imports are taxed in the importing country at the VAT rate applicable to domestic production. This principle, while generally readily applicable for international trade in goods, creates particular challenges with the growing international trade in services and intangibles, which are not subject to border controls. Administrative procedures for ensuring that the right amount of tax is paid in the right place are complex and differ across jurisdictions. From a government’s viewpoint there is a risk of under-taxation and loss of revenue, or distorting trade through double taxation. From a business viewpoint, there are revenue risks and compliance costs.</p> <p>Two break-out sessions will be held, which will be followed by a plenary session where reports on the outcome of both sessions will be presented. Topics for discussion will include:</p> <ul style="list-style-type: none">• How the development of international trade increases the risks of double taxation and unintended non-taxation• Why is taxation at destination the preferred approach for applying VAT to international trade• The challenge for tax administrations• The impact for businesses• Applying VAT to cross-border telecommunication and e-commerce Break-out session 1: Chair: Rainer Nowak, Canada Panellists: Rebecca Millar, University of Sydney Nii Ayi Aryeetey, Ghana J. Alfredo Tijerina-G., Mexico Julien Brugère, Time Warner Rapporteur: Champa Gunnoo, Mauritius
	Break-out session 2: Chair: Richard Stern, World Bank Panellists: Walter Hellerstein, University of Georgia Wang Wenqin, China Naoki Oka, Japan Yiannis Pouloupoulos, Rio Tinto Rapporteur: Mike Cunningham, United Kingdom
17.30 – 18.30	SESSION 2 : APPLYING VAT TO INTERNATIONAL TRADE – THE CHALLENGE OF ECONOMIC GLOBALISATION (<i>plenary session</i>) <p>Presentation of the reports from the break-out sessions, followed by discussion in plenary.</p> Chair: David Hollinrake, Southern African Development Community Rapporteurs: Champa Gunnoo, Mauritius and Mike Cunningham, United Kingdom
18.30	Cocktail, OECD Château de la Muette



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9.00 – 10.30	<p>SESSION 3 : THE OECD INTERNATIONAL VAT/GST GUIDELINES (<i>plenary session</i>)</p> <p>Since the late 1990s, governments have recognised that greater coherence is needed for the application of VAT in an international context. The OECD first developed international standards on consumption taxation in the context of electronic commerce in 1998, as part of the Ottawa Taxation Framework Conditions. Destination-based taxation of cross-border e-business was the governing principle of this framework. With subsequent evidence that VAT can distort international trade in services and intangibles more generally, the OECD launched a project for the development of the OECD international VAT/GST Guidelines, as an internationally agreed standard for a consistent VAT-treatment of cross-border trade.</p> <p>The aim of this session is to present ongoing work on the development of the OECD International VAT/GST Guidelines and to share views with participants about their design and implementation. This session will cover the following topics:</p> <ul style="list-style-type: none">• Ensuring VAT-neutrality in an international context : the International VAT Neutrality Guidelines• Consistent allocation of taxing rights on international trade in services and intangibles: the OECD VAT/GST Guidelines on place of taxation• The business perspective• Considering the future: a VAT model tax treaty? <p>Chair: Richard Brown, Chair of Working Party N° 9 on Consumption Taxes</p> <p>Panellists: Marie Pallot, New Zealand Lesley O’Connell Xego, South Africa Karl-Heinz Haydl, Co-chair of TAG, BIAC Thomas Ecker, Austria</p>		
10.30 - 11.00	<p>Coffee break</p>		
11.00 - 12.30	<p>SESSION 4 : DESIGNING EFFICIENT AND EQUITABLE VAT SYSTEMS (<i>break-out sessions</i>) (<i>For governments, international organizations and academics</i>)</p> <p>VAT is a major source of revenue and the design of VAT regimes can thus potentially have a significant impact on a country’s economic performance. It is widely seen as a relatively growth-friendly tax and as a result many countries are seeking to raise additional revenues from VAT, rather than other taxes, as part of their fiscal consolidation strategies. Many countries may consider broadening the VAT base, by using fewer exemptions and reduced rates, as economic research suggests that this could increase output and economic welfare. However, such reform may prove to be politically challenging.</p> <p>Two break-out sessions will be held, allowing participants to share policy analysis and experience on the following topics:</p> <ul style="list-style-type: none">• What do we really know about the “performance” of VAT• The key challenges of VAT-design and possible approaches. Tax base, rate structure, registration threshold• Distributional impact of VAT and addressing political obstacles to raising/eliminating reduced rates and exemptions• Revenue and economic effects of broadening VAT bases <table border="0"><tr><td><p>Break-out session 1</p><p>Chair: Chia-Tern Huey Min, Singapore</p><p>Panellists: Colin Brown, Australia E. H. Ibrahima Diop, Senegal Abdelouahab Naciri Darai, Morocco Antoine Magnant, France</p><p>Rapporteur: Francesca Vitale, Italy</p></td><td><p>Break-out session 2</p><p>Chair: Michael Keen, International Monetary Fund</p><p>Panellists: Cecil Morden, South Africa Natasha Avendano Garcia, Colombia Yutaka Ito, Japan Alberto Daniel Barreix, Inter-American Development Bank</p><p>Rapporteur: Rob Dalla-Costa, Australia</p></td></tr></table>	<p>Break-out session 1</p> <p>Chair: Chia-Tern Huey Min, Singapore</p> <p>Panellists: Colin Brown, Australia E. H. Ibrahima Diop, Senegal Abdelouahab Naciri Darai, Morocco Antoine Magnant, France</p> <p>Rapporteur: Francesca Vitale, Italy</p>	<p>Break-out session 2</p> <p>Chair: Michael Keen, International Monetary Fund</p> <p>Panellists: Cecil Morden, South Africa Natasha Avendano Garcia, Colombia Yutaka Ito, Japan Alberto Daniel Barreix, Inter-American Development Bank</p> <p>Rapporteur: Rob Dalla-Costa, Australia</p>
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12.30 - 14.00	<p>Lunch break</p>		



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THURSDAY 8 NOVEMBER 2012 (continuing)	
14.00 - 14.45	<p>SESSION 4 : DESIGNING EFFICIENT AND EQUITABLE VAT SYSTEMS (<i>plenary session</i>)</p> <p>Presentation of the reports from the break-out sessions, followed by discussion in plenary.</p> <p>Chair: Michel Aujean</p> <p>Rapporteurs: Rob Dalla-Costa, Australia and Francesca Vitale, Italy</p>
14.45 - 16.15	<p>SESSION 5 : MANAGING VAT ADMINISTRATION AND COMPLIANCE (<i>plenary session</i>) (<i>For governments, international organizations and academics</i>)</p> <p>Compliance burden considerations are a strategic issue of concern in tax system design and administration. VAT systems are widely regarded as the most burdensome of all taxes for businesses, imposing significant and highly regressive compliance costs and potentially hampering the development of economic activity and international trade. The measurement of compliance costs and the identification of the VAT features that contribute positively or negatively to compliance burden are of key importance for evidence-based thinking about reform and improvement. Also VAT fraud and avoidance remain a concern for many tax administrations. VAT gaps (between actual VAT revenues and notional revenues with full compliance) may be considerable (e.g. estimated at 10% or more of potential revenues in some cases). A key question is whether it is possible to develop an effective strategy against VAT fraud and avoidance without imposing excessive administrative burden and compliance cost.</p> <p>Discussions during this session will concentrate on:</p> <ul style="list-style-type: none">• Measuring and reducing administrative and tax compliance costs• Measuring the VAT gap and understanding its causes• Implementing strategies to reduce VAT fraud and avoidance <p>Chair: David Hollinrake, Southern African Development Community</p> <p>Panellists: Michael Walpole, University of New South Wales Richard Highfield, OECD Arthur Kerrigan, European Commission Gabriele Himself, Germany</p>
16.15 – 16.30	Coffee Break
16.30 – 17.15	<p>SESSION 6: THE WAY FORWARD (<i>plenary session</i>) (<i>For governments, international organizations and academics</i>)</p> <p>The aim of this session is to draw conclusions, identify the areas where the Global Forum on VAT can usefully add value and consider how work may be organized. This session will consider:</p> <ul style="list-style-type: none">• Overall summary and conclusions• Issues and priorities for further work• Work programme and agenda for the next Global Forum on VAT• Governance of the Global Forum on VAT <p>Panellists: Richard Brown, Chair of Working Party N° 9 on Consumption Taxes Pascal Saint-Amans, Director Centre for Tax Policy and Administration, OECD</p>
17.15	<p>CLOSE OF GLOBAL FORUM</p> <p><i>Closing remarks by Angel Gurría, Secretary-General of the OECD</i></p>