



MENA-OECD Investment Programme

Draft Agenda

Working Group 3

“Providing a Tax Framework for Investment and Assessing Incentives”

**6-7 September 2005
Cairo, Egypt**

Organised by
MENA-OECD Co-Chairs of Working Group 3

Hosted by
Egyptian General Authority for Investment and Free Zones (GAFI)

MENA-OECD Investment Programme

Working Group 3 "Providing a Tax Framework for Investment and Assessing Incentives"

Syllabus

Objectives

Many MENA countries are currently engaged in reforming and restructuring their tax systems to improve efficiency, spur investment and stabilize revenue yield. The main objectives of the current meeting of Working Group 3 (WG3) established to assist MENA countries in their tax reform efforts, are three-fold. First, the co-chairs will report on discussions and conclusions reached at the 29-30 June 2005 meeting of the Task Force on Incentives, hosted by the Economic Development Board of Bahrain. Input will be sought to the main output of this task force meeting, Draft Proposals on Policy Considerations in the Use of Investment Incentives in the MENA Region, to be reviewed by Working Groups 1, 2 and 3 during the September 2005 round of meetings.

A second goal of the current WG3 meeting is to initiate dialogue amongst MENA and OECD countries on key domestic and international tax issues confronting tax policy makers charged with designing tax systems that are supportive of investment, while balancing other objectives. The OECD will review current work examining linkages between tax policy design and investment, and indicate outputs of this work to be shared with MENA countries. The aim of the dialogue is to bring MENA countries into the global debate on tax and incentive policy strategies, to share experiences on the implementation of tax measures to enhance a country's ability to attract investment, and to consider how the project can be developed to assist MENA countries meet their tax reform goals.

The third objective of the meeting is to discuss and seek agreement on key recommendations that could be presented at the November 2005 Investment Ministerial Meeting, building on the outputs of the 26-27 January WG3 meeting, the work of the Task Force on Incentives, and the conclusions reached at the current meeting.

Participation of the private sector and other multilateral agencies working on the issues will be encouraged to contribute to the debate and help bring forward to the November Ministerial a balanced set of policy considerations.

Documentation

The following documents will serve as background for the WG3 meeting.

- MENA and OECD country submissions
- ***On general tax policy reform and investment***
 - Tax Policy for Investment (OECD 2005)
 - Recent Tax Reform Initiatives in OECD Countries (OECD 2005)

- **On incentive reform**
 - Draft Proposals on Policy Considerations in the Use of Investment Incentives in the MENA Region (2005, English version, Arabic version, edited version (Lebanon))
 - Incentives and Free Zones in the MENA Region: A Preliminary Stocktaking (OECD 2005)
 - Foreign Direct Investment for Development – Maximising Benefits and Minimising Costs (OECD, 2002)
 - The Economics of International Investment Incentives (OECD International Investment Perspectives, 2002)
 - Corporate Tax Incentives for FDI (OECD Tax Policy Study Series No.4, 2001)
 - Policy Competition for Foreign Direct Investment – A Study of Competition among Governments to Attract FDI (OECD Development Centre Studies, 2000)

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Tuesday, 6 September 2005

OPENING SESSION

- 9:00-9:30 Opening remarks and setting the scene**
- Welcome remarks by the Egyptian Hosts (GAFI)
 - Opening remarks by co-Chairs
 - Objectives of the meeting (speaker: Mr. Rainer Geiger, Deputy Director, OECD Directorate for Financial and Enterprise Affairs)

SESSION I

Task Force on Incentives: Reporting and Recommendations

- 9:30 – 11:00 Report on conclusions and recommendations of the Task Force on Incentives**
- Presentation by co-Chairs of the Task Force report, *Draft Proposals on Policy Considerations in the Use of Investment Incentives in the MENA Region*
 - Presentation on *preliminary stocktaking of incentives and free zones in the MENA region* (speaker: Mr. Alexander Böhmer, Investment Policy Officer, MENA-OECD Investment Programme)
 - Group discussion and input to the findings of the Task Force

11:00 – 11:30 Refreshments

SESSION II
Tax Policy and Investment Dialogue

- 11:30 – 11:45 Opening remarks and setting the scene**
- Opening remarks by the co-Chairs
 - Objectives of the dialogue (speaker: Dr. Steven Clark, Manager of OECD input to Working Group 3)

- 11:45 – 13:00 Country presentations on current tax reform efforts: objectives, obstacles and approaches:**
- Presentation by Egypt on current tax reform strategies (speaker: Mr. Ashraf Al Arabi, Senior Tax Policy Advisor to the Minister of Finance, Ministry of Finance, Egypt)
 - Presentation by Morocco on tax expenditure project (speaker: Mme. Nawal Jellouli, Chef de la Division des Études, Direction Générale des Impôts, Ministère des Finances, Morocco)
 - Presentation by Turkey on recent reforms of tax policy and tax administration (speaker: Mr. Yüksel Karaça, Head of Department, Tax Policy, Minister of Finance, Turkey)

Group discussion

- 13:00 – 14:30 Lunch**

SESSION II (continued)
Tax Policy and Investment Dialogue

- 14:30 – 15:30 Country presentations on current tax reform efforts: objectives, obstacles and approaches:**
- Presentation by Jordan on recent tax reform considerations (speaker: to be determined)
 - Presentation by Lebanon on recent tax treaty work (speaker: Ms. Carol Khouzami, Senior Legal Officer, Project PNUD, Ministère des Finances, Lebanon)

Group discussion

- 15:30 – 16:15 Recent OECD work on taxation and investment, other tax projects:**
- Presentation by OECD Secretariat on current project on taxation and foreign direct investment, and other tax policy studies (speaker: Dr. Steven Clark)
 - Proposal for creation of a MENA Regional Tax Network, drawing on OECD support, ITD facilities (speaker: Dr. Steven Clark)
 - Overview of CTPA Outreach programme (speaker: Ms. Susan Himes)

Group discussion

- 16:15 – 16:45 Refreshments**

SESSION III

Tax Assistance Offered by Other International Organisations

16:45 – 18:00 Presentations by the USAID Egyptian Mission on their tax and incentive work in the MENA region (speakers: Mr. Mark Gellerson, and Mr. Bob Aten).

19:30 – 20:00 *Welcome Reception and Dinner*

Wednesday, 7 September 2005

SESSION IV

Planning for the Ministerial and Beyond

09:00 – 10:30 *Overview of the Ministerial Meeting / Working Group 3 Panel Discussion*

- Presentation by the OECD Secretariat (speakers: Mr. Alexander Böhmer, Ms. Susan Himes)

The Co-Chairs will lead a discussion on Recommendations for the November Ministerial

- Recommendations on the assessment of incentives
- Recommendations on frameworks to support development of national tax policy reform agendas

Planning for 2005-2006 Events

- Topics, dates and venues

10:30 – 11:00 *Refreshments*

Conclusions and Next Steps

11:00 – 12:30 **WG 3 Co-Chairs**

The Co-chairs will present a summary of discussions and results identifying next steps to be taken. This will include the report to the MENA Investment Steering Group (4 October 2005) and recommendations for the November 2005 MENA Investment Ministerial Meeting

12:30 – 14:00 *Lunch*

Contact persons

Host

Egyptian General Authority for Investment and Free Zones (GAFI)

Co-Chairs

Egypt: Dr. Ziad Bahaa Eldin

Turkey: The Honorable Kemal Unakitan

Bahrain: Sh. Mohammad Bin Essa Al-Khalifa

OECD Secretariat

<p>Dr. Steven Clark Manager, WG3 MENA-OECD Investment Programme E-Mail: steven.clark@oecd.org</p>	<p>Ms. Susan Himes Consultant MENA-OECD Investment Programme E-Mail: shimes@emirates.net.ae</p>
<p>Mr. Patrice Dubus MENA-OECD Investment Programme Tel.: (33) 1 45 24 97 30 Fax: (33) 1 44 30 61 35 E-mail: patrice.dubus@oecd.org</p>	<p>Ms. Susana Garcia-Lorenzo MENA-OECD Investment Programme Tel.: (33) 1 45 24 91 84 Fax: (33) 1 44 30 61 35 E-mail: susana.garcia-lorenzo@oecd.org</p>