



FOURTH PLENARY MEETING OF THE OECD TASK FORCE ON TAX AND DEVELOPMENT CO-CHAIRS STATEMENT

Seoul, Korea • October 2013

The [OECD's Task Force on Tax and Development](#) met in Seoul, Korea, on 30-31 October 2013.¹ Governments, international and regional organisations, civil society and business representatives reviewed progress made since the previous meeting in South Africa in 2012 and explored further ways to help developing countries better mobilise their domestic resources.²

The Task Force took stock of an unprecedented recent period of international action and commitments on international tax avoidance and evasion, including progress made by the G-8 and G-20. International efforts – to address [Base Erosion and Profit Shifting](#), to exchange tax information on an automatic basis, to increase the transparency of businesses and individuals, to address capacity needs with [Tax Inspectors Without Borders](#), for example – all offer potential for developing countries in raising domestic resources for development. In this context, the Task Force noted progress and proposed future actions to support developing countries as follows.

Base Erosion and Profit Shifting

The Task Force welcomed international action to address **Base Erosion and Profit Shifting** (BEPS). We agreed that developing countries must have a voice in the development of the work. To this end, a BEPS Africa group, under the leadership of the African Tax Administration Forum (ATAF) with the Centre de rencontre des administrations fiscales (CREDAF) would be formed as soon as possible. Regional information sharing and consultation events in Africa and Latin America will be held in early 2014. The OECD stands by to support this work. A meeting of the Task Force dedicated to this topic will be held in March 2014.

On the issue of **Multinational Enterprise financial reporting** we noted the Task Force work on the transparency benefits from the public registration of statutory accounts had led to progress on country by country reporting, particularly the work on a common template for the global allocation of profits being taken forward by the G-8, G-20 and OECD (Action 13 of the BEPS Action Plan). We agreed the Task Force has a valuable role in tracking international transparency developments, including in the European Commission (EC) plus business and civil society initiatives.

In direct support of BEPS, **we noted excellent progress from Transfer Pricing support delivered to developing countries by the joint OECD, EC, and World Bank programme, including increased revenue yields for several countries.** It is essential that this and other Task Force work remains practical and demand-driven. Strong results to date suggest the programme's coverage should be expanded without delay. We also welcome BIAC's commitment to provide support to this work and the publication of its

¹ Co-chaired by South Africa and the Netherlands the Task Force on Tax and Development is a multi-stakeholder advisory group to the Committee on Fiscal Affairs and the Development Assistance Committee. It plays a key role in the OECD strategy on development, drawing in particular on the views of developing countries, civil society and business experts.

² There was broad consensus on the conclusions and anticipated deliverables, although some stakeholders expressed divergent views. This statement reflects the views of the Co-Chairs and not necessarily those of all stakeholders.



business principles. The Task Force encouraged additional practical work to improve the availability and access to relevant pricing comparables to support effective transfer pricing regimes.

In addition, the Task Force welcomed progress to establish ‘Tax Inspectors Without Borders’ (TIWB), an initiative to deploy the transfer of tax audit knowledge and skills for complex international cases, through a real time, ‘learning by doing’ approach. A first phase of deployments in Colombia, Ghana, Rwanda, and Zambia are being launched. The Task Force welcomes a report on these by mid- 2014. An advisory board for TIWB, comprising the Task Force Co-Chairs, representatives from governments, civil society and business was agreed to provide advice and to ensure on-going multi-stakeholder engagement.³ A practical Toolkit to support the sustainability of this project will be prepared by February 2014. A public launch event would be planned in early 2014. The Task Force urged tax administrations to indicate their interest in participating in future TIWB deployments.

Tax Transparency

We welcomed international action on tax transparency in 2013. We agreed we must work together to ensure that developing countries can benefit from these developments. In this regard, we welcomed the progress made by the [Global Forum on Transparency and Exchange of Information for Tax Purposes](#) to support the participation of developing countries. We noted the Task Force support to help developing countries prepare for the Global Forum peer review process and plans to scale up this support in 2014 and beyond.

We noted that more developing countries are joining the [Multilateral Convention on Mutual Administrative Assistance](#) and we encouraged others to follow.

The Task Force welcomed the global trend towards [automatic exchange of information](#) for tax purposes led by the G-20. **We noted the need for a clearly defined single global standard for all countries, whilst acknowledging and accommodating capacity constraints in developing countries and the need for realistic timescales to reach the emerging international standard.**

The Task Force discussed the wider problem of illicit financial flows. It was agreed that further efforts to encourage inter-agency and international co-operation on tax and crime are welcome within the overall framework of the [Oslo Dialogue on Tax and Crime](#). We welcomed efforts to measure progress by OECD countries to stem illicit flows from the developing world.

Tax Policy

The Task Force agreed that tax policy design is also key to better ensure the mobilisation of domestic resources and noted complementary action that would help to address base erosion and profit shifting as follows:

Addressing tax incentives is a critical challenge in both OECD and non-OECD countries alike and the Task Force welcomed the first set of tax and investment reviews using the governance and transparency principles developed by the Task Force to date. Further work was welcomed.

³ The TIWB Advisory Board members are the Co-Chairs (South Africa and the Netherlands), the UK, France, Papua New Guinea, ATAF, CIAT, the OECD’s Business and Industry Advisory Council (BIAC), and civil society (through CCFD-terre solidaire).



The Task Force noted the importance of engaging in natural resource taxation, particularly to facilitate the sharing of experience among countries on tax policy design dealing with the extractive industries. We noted the importance of a clear division of labour with other international partners.

Underpinning all tax policy, **the need for consistently gathered [revenue statistics](#) was acknowledged** as an issue requiring ongoing support.

The Task Force work on **measuring tax morale and best practices in taxpayer education underlined the importance of engaging citizens on both issues of fair and transparent tax policy design and administration as the basis for state building.**

Partnerships for International Co-operation

We discussed the importance of **increasing and improving the level of international support for building the capacity of tax systems in the developing world.**

We welcome the efforts of the [Global Partnership for Effective Development Co-operation](#) as an excellent opportunity to raise the profile of international tax matters in development co-operation, and offer our support in preparing the proposed Ministerial meeting on this topic in 2014 in Mexico.

We urged the UN to continue to highlight the importance of taxation in the development of the post 2015 replacement framework for the Millennium Development Goals. Again, we offered our support in this endeavour.

We, the Co-Chairs, direct the secretariat to create a programme of work and budget, to identify the outputs, and deliver the programme for the coming three years. The Task Force discussions and proposals will be communicated to the relevant OECD Committees for approval. The Task Force will progress its work in these core areas and will reconvene in plenary in 2015.

Summary of immediate actions and deadlines:

- A Task Force meeting dedicated to BEPS in March 2014 to inform a written submission into the BEPS project, by June 2014. Regional Africa and Latin America information sharing and consultation events will be held in early 2014.
- An update on scaled-up support to developing countries from the joint OECD, World Bank and EC transfer pricing programme, by mid-2014. A scoping paper on transfer pricing comparability issues, by March 2014.
- Tax Inspectors without Borders: A practical Toolkit to support the sustainability of this project by February 2014 and a report, by June 2014, covering pilot projects..
- A report to input into the Global Forum and the G-20 Development Working Group on the opportunities and constraints facing developing countries in undertaking automatic exchange of information for tax purposes, by mid-2014.
- Further reviews of tax incentives in developing countries on a demand-led basis and a knowledge sharing event on tax incentives will be planned for 2014.
- The Secretariat will work with the OECD to mobilise possible resources for new work on illicit financial flows, natural resource taxation and revenue statistics, bearing in mind the need for prioritisation. Progress will be reported back by mid-2014.