# THIRD MEETING OF THE OECD GLOBAL FORUM ON VAT  
**PARIS, 5 - 6 NOVEMBER 2015**  
DRAFT AGENDA

**THURSDAY 5 NOVEMBER 2015**

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.00 – 9.00</td>
<td>Registration</td>
</tr>
<tr>
<td>9.00 – 9.30</td>
<td>OPENING SESSION</td>
</tr>
<tr>
<td></td>
<td>• Welcome address</td>
</tr>
<tr>
<td></td>
<td>• Central theme and objective of the third meeting of the Global Forum on VAT</td>
</tr>
</tbody>
</table>
| 9.30 – 11.00 | PLENARY SESSION 1  
**AN OVERVIEW OF VAT POLICY TRENDS AND DEVELOPMENTS FROM AROUND THE WORLD** |
|         | VAT reform remains high on the global tax policy agenda. Many countries with long-standing VATs are considering reform to improve the structure and the implementation of the tax, and to deal with the new challenges posed by globalisation and the growth of digital trade. Meanwhile, still more countries are adopting a VAT or are considering doing so. This first plenary session will provide an overview of recent and ongoing VAT reforms from around the world and will allow participants to learn from each other’s analyses and experiences in designing and implementing VAT reform. The topics covered in this session will include: |
|         | • Implementing a VAT: recent experiences and best practice implementation strategies |
|         | • The comprehensive reform projects in China and India |
|         | • Reform to increase the effectiveness of VATs in African countries |
| 11.00 – 11.30 | Coffee break                                 |
| 11.30 – 13.00 | PLENARY SESSION 2  
**A SELECTION OF EMERGING VAT POLICY ISSUES AND CHALLENGES** |
|         | This second plenary session will look in further detail at a selection of emerging VAT policy issues and challenges faced by countries around the world. The topics covered in this session will include: |
|         | • The challenges of applying VAT in the digital economy |
|         | • The interaction between VAT and transfer pricing |
|         | • The development of new thinking about the VAT treatment of financial services |
| 13.00 – 14.00 | Lunch                                       |
| 14.00 – 15.00 | PLENARY SESSION 3  
**THE INTERNATIONAL VAT/GST GUIDELINES: STATUS UPDATE** |
|         | This third plenary session will provide a status update of the work on the International VAT/GST Guidelines that the OECD is developing as a global standard for the application of VAT in the context of international trade. This session will review the background, the objective and the fundamentals of the Guidelines and will introduce the new Guidelines that have been developed since the second meeting of the Global Forum, in April 2014 in Tokyo. This session will include the following elements: |
|         | • Review of the core principles of the Guidelines that were endorsed as a global standard at the 2014 Global Forum: the Guidelines on neutrality and the Guidelines on B2B trade in services and intangibles |

The relationship between the Guidelines and the OECD/G20 project on Base Erosion and Profit Shifting (BEPS)

**Parallel Sessions**

**Implementing an Effective and Coherent International Framework for the VAT Treatment of B2C Supplies of Services and Intangibles**

During four parallel sessions, participants will examine the approaches proposed by the International VAT/GST Guidelines on B2C trade in services and intangibles (the B2C Guidelines) and their effective and consistent implementation in practice.

**15.00 – 16.30**  
**Parallel Sessions A and B**  
**Determining the Place of Taxation for B2C Supplies of Services and Intangibles**

The International VAT/GST Guidelines promote the principle of “taxation at destination” as the standard for applying VAT in an international context. The B2C Guidelines first present two “general rules” for allocating the taxing rights over the most common types of services and intangibles supplied by businesses to final consumers, in accordance with the destination principle. They recommend that the taxing rights over “on-the-spot supplies” be allocated to the jurisdiction in which the supply is physically performed; and that the taxing rights over other supplies and services (including supplies of digital products) be allocated to the jurisdiction in which the customer has its usual residence. They also provide guidance on the circumstances in which the implementation of a “specific rule”, which uses a proxy other than the place of physical performance or the customer’s usual place of residence, might be justified.

These two parallel sessions will consider the possible approaches for implementing the B2C Guidelines in domestic legislation and they will examine their operation in practice based on concrete case discussions.

**Parallel Session A**  
**General Rules for Determining the Place of Taxation of B2C Services and Intangibles**

- Designing separate rules for B2B and B2C supplies or not: what are the policy considerations for making or not making this distinction?
- How does one differentiate between “on-the-spot supplies” and “other supplies”?
- What is the jurisdiction of the usual residence of the customer? How do we determine this jurisdiction?

**Parallel Session B**  
**Specific Rules for Determining the Place of Taxation of B2C Services and Intangibles**

- Designing separate rules for B2B and B2C supplies or not: what are the policy considerations for making or not making this distinction?
- For which types of supplies might a specific rule be appropriate?
- Which proxies other than the place of physical performance or the customer’s usual place of residence could be applied?

**16:30 – 17:00**  
**Coffee break**

**17.00 – 17.45**  
**Plenary Session 4**  
**Determining the Place of Taxation for B2C Supplies of Services and Intangibles**

- Reports from parallel sessions A and B, followed by discussion in plenary

**18.00**  
**Cocktail event**
The B2C Guidelines recommend that non-resident suppliers of services and intangibles to final consumers be required to register and remit the VAT in the jurisdiction of taxation and suggest that countries implement a simplified registration and compliance regime to facilitate compliance for non-resident suppliers. These Guidelines present the main features of such a simplified registration and compliance regime.

While simplification is a key means of enhancing compliance by non-resident suppliers, the Guidelines recognise that it is necessary to reinforce the enforcement capacity of tax authorities through enhanced international cooperation in tax administration in the field of indirect taxes.

Parallel session C will consider the possible measures that taxing jurisdictions could take to simplify the administrative and compliance process of registration-based collection regimes for B2C supplies of services and intangibles by non-resident suppliers. Parallel session D will focus on enforcement strategies, including international administrative cooperation, to support the proper collection of VAT on supplies of services and intangibles by non-resident suppliers.

**Parallel Session C**

**Collecting the VAT on Supplies Made by Non-Resident Suppliers**

- Main features of a simplified registration and compliance regime for non-resident suppliers
- Experiences with existing registration-based VAT collection regimes for supplies of services and intangibles by non-resident suppliers
- The challenge for small and medium enterprises of having to collect and remit VAT abroad: do de minimis thresholds provide an appropriate solution?

**Parallel Session D**

**Enforcing VAT in Cases Where the Supplier Is Not Located in the Jurisdiction of Taxation**

- Are the necessary legal instruments available for the international administrative cooperation to support VAT collection on supplies of services and intangibles by non-resident suppliers?
- What types of international administrative cooperation are available and how might they support the effective collection of VAT in an international context?
- What are countries’ practical experiences with enforcing VAT collection in cases where the supplier is not located in the jurisdiction of taxation? Which best practices can be identified?

**Plenary Session 5**

**Endorsing the Completed Set of Guidelines and Looking Ahead**

This plenary session will summarise the outcomes of the discussions on the application of the completed Guidelines in services and intangibles as a global standard.

- Reports from parallel sessions C and D and overall conclusion of the discussions on the B2C Guidelines
- Endorsing the completed set of the Guidelines as a global standard
- Looking ahead
The BEPS Action 1 Report on Addressing the Tax Challenges of the Digital Economy, which was presented to G20 Finance Ministers in September 2014, notably identified a number of challenges for the application of VAT in the digital economy. One of the main challenges relates to the growing volume of imports of low value parcels from online sales by final consumers that are treated as VAT-exempt in many jurisdictions. These low value import relief regimes are motivated mainly by the consideration that the costs of collecting the VAT on imported low value items are likely to outweigh the revenue gained. However, the increase of low value imports from online sales on which no VAT is collected has resulted in growing tax revenue losses and the growing risk of unfair competitive pressures on domestic retailers.

The BEPS Action 1 Report called for work on possible approaches to improve the efficiency of VAT collection on such imports, which may allow governments to lower or remove these low value exemption thresholds. This session will look at the outcomes of this work, including the following aspects:

- The available approaches for improving the efficiency of the VAT collection on imports of low value physical goods. These will notably consider the interaction with customs procedures
- Possible best practices that may allow governments to reduce or remove the exemption thresholds, should they decide to do so

Chapter 4 of the International VAT/GST Guidelines is intended to complement the Guidelines on VAT neutrality and the Guidelines on the place of taxation. It presents approaches for facilitating the consistent implementation of the principles of the Guidelines in national legislation and their consistent interpretation by tax administrations, in order to minimise risks of double taxation and unintended non-taxation as well as the potential for resulting disputes. It also indicates explicitly that the Guidelines on VAT neutrality and on place of taxation apply when parties involved act in good faith and all transactions are legitimate and with economic substance. Jurisdictions may take proportionate measures to protect against evasion and avoidance, revenue losses and distortion of competition. Chapter 4 does not provide a definition of the terms evasion and avoidance, recognising that specific definitions will often exist in a national context.

Against this background, parallel session E will look at the possible role of co-operative compliance with taxpayers in stimulating compliance and minimising disputes. Parallel session F will consider the design and use of anti-avoidance rules for tackling VAT avoidance.
<table>
<thead>
<tr>
<th>Time</th>
<th>Session Description</th>
</tr>
</thead>
</table>
| 15:00 – 15:30 | PLENARY SESSION 7  
SUPPORTING THE GUIDELINES IN PRACTICE  
DISPUTE MINIMISATION AND APPLICATION IN CASES OF EVASION AND AVOIDANCE |
| -        | Reports from parallel sessions E and F, followed by discussion in plenary            |
| 15.30 – 16.00 | Coffee break                                                                       |
| 16.00 – 17.15 | PLENARY SESSION 8  
THE ECONOMIC IMPACT OF VAT RATE STRUCTURES AND CHANGES |
| -        | The average standard VAT rate in the OECD has risen considerably since the onset of the economic crisis in 2007-2008, as many countries have sought to raise additional revenues from VAT to reduce their budget deficits. Between 2009 and 2014, 21 of the 34 OECD member countries raised their standard VAT rate at least once. By contrast, very few countries implemented a VAT rate reduction as a measure to stimulate economic activity. This session will provide an overview of country experiences and recent analyses of the economic impact of changes in VAT rates. This will include discussion of the following topics: |
| -        | Estimating the pass-through of VAT rate changes to consumer prices                  |
| -        | Measuring the impact of VAT rate changes on government revenues, on consumption and on economic growth |
| 17.15 - 17.45 | CLOSING SESSION  
- Summary and conclusions of the discussions over the two days  
- What’s next?  
- Closing remarks |