



Protecting the Tax Base of Developing Countries

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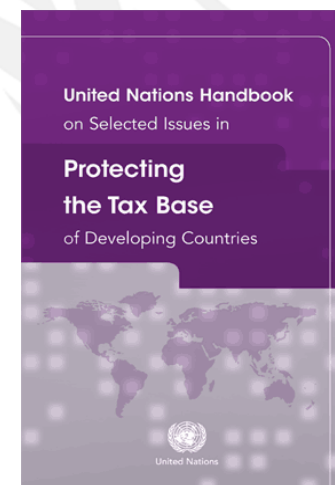
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BEPS and Developing Countries

- **Addis Ababa Action Agenda recognized that taxation is critical to mobilize resources for investment in sustainable development**
 - **Tax base erosion and profit shifting may affect the capacity of developing countries to raise domestic resources for development**
 - **Governments committed to improving the fairness, transparency, efficiency and effectiveness of tax systems, including by broadening the tax base and combatting tax evasion and tax avoidance**
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UN Handbook on Selected Issues in Protecting the Tax Base of Developing Countries

- **Contribute to and complement the work of the OECD and the UN Tax Committee from the capacity development perspective**
- **Support developing countries in**
 - **Engaging and participating in relevant decision-making processes**
 - **Assessing relevance and feasibility of options to protect and broaden their tax base**
 - **Implementing the most suitable and beneficial approaches**



Complementarity of the UN Handbook to the OECD Work on BEPS

- **Identify the most suitable options for developing countries, in view of their needs and levels of development**
 - For instance, in the area of tax transparency and disclosure and tax treaty abuse
- **Outline complementary and easy-to-implement approaches, taking into account the resource and capacity constraints of developing countries**
 - For example, with regard to the role of withholding taxes in preventing tax base erosion through financial payments or tax arbitrage schemes

Value Added of the UN Handbook for Developing Countries

- **Address shortcomings of international tax norms, in the context of domestic resource mobilization for sustainable development**
 - For instance, in the area of taxation of cross-border business activities
- **Provide a developing country-centered analysis of new and emerging issues**
 - For example, the tax challenges of the digital economy and new business models
- **Analyze issues not covered under the OECD Action Plan on BEPS**
 - Taxation of services
 - Taxation of capital gains
 - Tax incentives

Key Features of the UN Handbook

- **Simplify, summarize and systematize all relevant materials on BEPS**
 - **Provide information geared towards the needs of developing countries, including practical examples tailored to their realities**
 - **Draw upon the engagement with tax officials from developing countries, members of the UN Tax Committee, international tax experts and relevant international and regional organizations**
 - **Serve as a practical tool to assist tax officials in developing countries**
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Thank you

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