

WU Global Tax Policy Center

at the Institute for Austrian and
International Tax Law

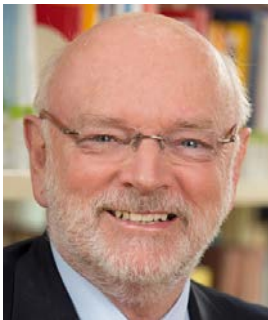
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Institute for Austrian and
International Tax Law **Vienna**
WU Global Tax Policy Center

The Global Tax Policy Center (WU GTPC)

The **WU Global Tax Policy Center (WU GTPC)** is an integral part of the Institute for Austrian and International Tax Law at WU, Vienna University of Economics and Business (www.wu.ac.at/en/taxlaw/). The Institute for Austrian and International Tax Law is the largest institution of its kind worldwide. As well as being active in research and teaching activities at WU, the Institute is involved in national and international research projects and therefore has an excellent worldwide reputation. Being the hub for the international tax community, the Institute offers a unique academic platform for significant, innovative and inspiring tax-related research.



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Following its inception in 2012, the **WU GTPC**, headed up by Prof. Jeffrey Owens, has become one of the leading think tanks on the interface between tax policy, tax administration and tax law in today's global economy. All the WU GTPC events bring together tax policymakers, tax administrators, tax practitioners as well as researchers from around the globe. The Center provides a forum for discussions on tax policy formulation and implementation, drawing upon the experiences of developed and developing countries and economies in transition.

The last two decades have seen an unprecedented integration of national economies, the emergence of new players and the growth of truly global corporations. These forces of globalization have an impact on all aspects of economic life. Tax has not been immune to these pressures and it has become increasingly challenging to operate national tax systems in a borderless world. Politicians, the press and citizens have engaged in an intense debate on whether multinational enterprises (MNEs) and high net wealth individuals are paying their fair share of tax and on how to reconcile the need to raise revenues with the need to promote growth and reduce inequalities.

The 2030 Sustainable Development Goals (SDGs) have placed a new focus on how developing countries can increase their tax intake by diversifying their tax base and improving compliance and how they can be better integrated into the international tax debate so that any rules that emerge reflect their unique circumstances. These issues have taken on a new importance with the COVID-19 pandemic. Furthermore, technology has become one of the main drivers of reform of tax administrations, opening up new opportunities to deliver better services to taxpayers and reduce the deadweight loss associated with taxation.

These are the issues which are at the center of the WU GTPC agenda. This brochure describes briefly the main WU GTPC programs. Further details can be found at: www.wu.ac.at/taxlaw/institute/gtpc/



Tax Transparency and Good Governance

The WU GTPC launched a program in 2015 to examine how African countries can counter more effectively all forms of Illicit Financial Flows (IFF). The program examines links between corruption, money laundering and tax crimes in African countries. It promotes the concepts of good tax governance and the importance to economic development of tax systems that are transparent and free of corruption. It also explores how law enforcement agencies and tax authorities can best cooperate to counter all forms of financial crimes and tax evasion.

This is a joint initiative with the African Tax Institute (ATI), the United Nations Office on Drugs and Crime (UNODC), the World Bank Group.



Pravin Gordham at the Illicit Financial Flows Conference 2016

The WU GTPC would like to thank the Siemens Integrity Initiative for its support to the Center's work on Tax Transparency and Corruption.

“Illicit outflows from African countries have for far too long deprived governments of the revenues needed to achieve sustainable development. This project will help stem this outflow and at the same time provide a level playing field for all companies that operate in African countries.”

— Jeffrey Owens, Director, Tax Transparency and Corruption Project —

The first stage of the project (Tax and Good Governance 2015-2018) confirmed that corruption, in all its forms, was undermining the ability of African countries to achieve sustainable development through domestic resource mobilization.

The second stage of the program (Tax Transparency and Corruption 2019-2023) addresses the interaction between tax transparency and corruption from the perspective of tax administrators, FIUs, policymakers, business, civil societies and academics, and involves three closely related modules:

- Increasing the effectiveness of government actions to counter tax evasion, money laundering and bribery.
- Removing barriers to exchange of information within and between countries and improving transparency in tax planning.
- Establishing a legal framework for cooperative compliance and promoting tax certainty.

The third stage of the project (2021-2024) examines the role of technologies in countering IFF and the potential of the recently signed African Free Trade Agreement to reduce the ability of government to curtail IFF.

The outcomes from the program are a series of publications, best practice recommendations and guidelines to counter more effectively IFF.

Digital Economy Taxation Network (DET)

The inexorable march of technological advancements and rapid evolutions in business models across entire industries, both in the digital and the “digitized” economy, are challenging the traditional norms of international taxation as never before. Blockchain technology, Fintech, Cloud Computing, Artificial Intelligence (AI), Robotics, the Internet of Things, 3D printing and Industry 4.0, among others, are disrupting traditional modes of operations, processes and global value chains, and pushing the existing boundaries of taxation. These technologies, however, also open up opportunities to transform the way in which tax administrators operate and interact with taxpayers.

A GLOBAL ALLIANCE TO PROMOTE DIGITAL TAX TRANSFORMATION

WU GTPC was a founding partner of DET, which is a multi-stakeholder initiative that provides an open forum for discussions between government, business, international and regional organizations and academia. Policy-relevant research is produced on taxation issues arising from the Digital Economy, with a particular focus on the medium-term potential for AI, robotics and Blockchain to transform the way in which tax systems operate. DET has been successful in bringing together world-leaders in government, business and research institutions to collaborate on cutting-edge research into the implications of digitalization for tax policy, taxpayers and tax administrations. Since March 2017, DET has established an active network of over 400 active participants from over 80 countries with multi-stakeholder meetings held in Singapore (August 2017), Vienna (December 2017/2018/2019/2020/2021), Xiamen (July 2018), Washington (December 2018), Geneva (October 2019) and Quebec (June 2021).



Chip Harter at a Conference, Georgetown 2018



Prof. Owens, Kristalina Georgieva (Ex-CEO of World Bank) and Prof. Lang at a Workshop, Vienna 2018

DET will continue this discourse with workshops and conferences in Asia, Africa, Europe and the Americas. All of this dialogue will be supported by policy-related research carried out by the partnering research institutes and regional workshops.

The following areas for the application of Blockchain, Robotics and AI were identified as particularly promising: payroll and VAT, customs, transfer pricing, and withholding taxes, which could all yield benefits from increased transparency and compliance and/or reduction of transaction costs through smart contracts.

The full list of the DET network is expanding and now includes Commonwealth Association of Tax Administrators (CATA), Inter-American Center of Tax Administrations (CIAT), World Bank Group, Inter-American Development Bank (IDB), Intra-European Organisation of Tax Administration (IOTA), National University of Singapore (NUS), Singapore University of Social Sciences (SUSS), German Research Center for Artificial Intelligence (DFKI), Tax Administration Research Centre (TARC), University of New South Wales (UNSW),

Universidade de Sao Paulo (USP), Xiamen University (XMU), School of Law at University of Geneva, Korea Institute of Public Finance (KIPF), Institute for Fiscal Studies (IEF), Revenue Québec, Symbiosis Law School and in Pune.



DET partners at the conference „Tax Compliance: Exploiting the potential of AI, Robotics and Data Analytics“, Geneva, October 9-10, 2019

Interaction of tax, investment and trade issues

In 2019 the WU GTPC launched a joint research with the United Nations Conference on Trade and Development (UNCTAD) and the UN Tax Committee (UNTC) on the interaction between tax, trade, investment and other policy areas. The primary objective is to evaluate how taxes are treated in non-tax agreements and determine what each of these three communities can learn from each other. The GTPC is also working with the African Tax Administration Forum (ATAF) and the African Union (AU) to examine how taxes are treated in the African Continental Free Trade Agreement (AfCFTA) and with Chinese academics in the context of the Regional Comprehensive Economic Partnership (RCEP).

Currently, the tax, trade and investment communities are undertaking an in-depth review of their respective approaches to policy reform across their treaty networks, options for and access to dispute resolution mechanisms and the implications of increasing competition to attract foreign direct investment whilst achieving sustainable development. This new project will bring together representatives from these groups and will address the following:

- The implications of selected provisions of international investment agreements (IIAs) and trade agreements on tax measures, particularly tax treaties.
- Whether the interactions between tax policy, IIAs and trade agreements are sending consistent messages to the business community.
- How each community identifies and deals with acceptable and unacceptable competition for investment.
- Identifying the dispute resolution mechanisms used in each policy area, their interaction and the potential for conflicting outcomes that may result in exploitation by investors.

All these questions have taken on a new importance with the increasing linkage between trade, tax and investment policies and the race to achieve the sustainable development goals on national, regional and international level.

Cooperative Compliance



**“Cooperative Compliance is the future
for tax administrations!”**

— Jonathan Leigh-Pemberton, Program Leader —



The Cooperative Compliance project explores the legal, administrative and political constraints in getting more countries to adopt a relationship between tax administrations and MNEs, which is based on trust, openness and constructive dialogue. It examines why this is the case and how some countries have managed to overcome these constraints and what can be learned from their experience. Particular attention is being paid to non-OECD countries and how they could benefit from a co-operative compliance approach, including how to deal with BEPS-related issues.

A major output from for this project was the handbook “Cooperative Compliance: A Multi-stakeholder and Sustainable Approach to Taxation”, which governments and business could use to implement co-operative compliance programs.

The research is supported by a number of pilot studies in Europe, South America, Africa and Asia. This project brings together groups of researchers from all over the world, and includes governments, MNEs and representatives from international organisations. It is carried out in cooperation with CATA and ICC (International Chamber of Commerce).



*„Cooperative Compliance and International Compliance Assurance Programs: Moving Forward the Debate“,
Vienna, July 3-4, 2018*

Vienna Multi-Stakeholder Group on Improving Cross-border Dispute Resolution



“Minimizing and resolving cross-border tax disputes must be a priority in an increasingly uncertain world.”

— Jeffrey Owens, Director, WU GTPC —

The international community is at a crucial stage in the debate on how to resolve cross-border disputes, with the EU, OECD and UN all putting forward new approaches to achieve more principled and faster outcomes which would go some way towards aligning tax dispute resolution procedures with best practices in non-tax areas and the development of BEPS 2.0. As we move through the transitional period of BEPS implementation and with countries seeking additional revenue to respond to COVID-19, the potential for cross-border tax disputes will increase, both in developed and developing countries, and therefore there will be more pressure on existing dispute mechanisms, especially MAP. In this context, the WU GTPC launched a three-year project which provides a comprehensive legal framework to rethink the way cross-border tax disputes are resolved.

The project brings together contributions from leading academics, private sector experts, practitioners, and policymakers from organizations such as the OECD, UN, World Bank, UNCTAD, the Commission on Taxation of the International Chamber of Commerce, and European Commission to generate new approaches to tax dispute resolution through high quality, cutting-edge research that addresses the conceptual and practical concerns of non-OECD countries and fosters an environment based on trust and cooperation, and also explores a new institutional approach to mandatory dispute settlement.

A neglect issue in the area of disputes relates to disputes which arise in the area of VAT/GST. With the spread of these taxes, more than 160 countries now have them, an increasing number of companies are encountering cross-border disputes especially in regards to characterization of goods and service, place and supply and VAT refunds. Unlike direct taxes there are no well established mechanisms to resolve these issues. WU GTPC has created a small Multistakeholder Group conducting a study on cross-border VAT/GST disputes. We prepare a secure factual background for policy debate on the scale of the problem and how to address it. The initiative aims to establish why VAT disputes arise, how they are resolved in practice, and which new dispute minimization and resolution mechanisms can be put in place.



Prof. Owens giving closing remarks at the 5th meeting of Vienna Multi-Stakeholder Group on Improving Cross-Border Dispute Resolution, Mexico City, January 24, 2018

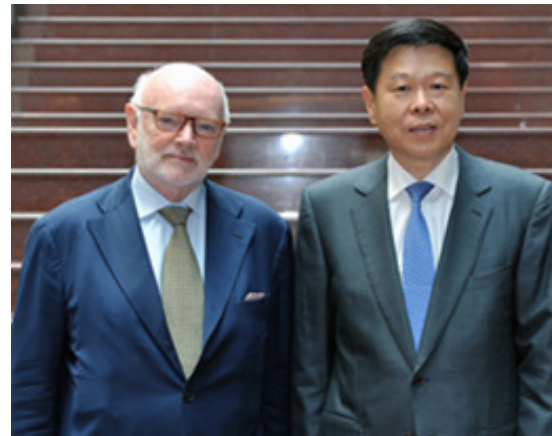
Removing Tax Barriers to the Belt and Road Initiative

In 2017, the WU GTPC created a new initiative called “International Tax Forum on The Belt and Road”, which brings together governments, business and academia to discuss how to avoid potential tax barriers to the BRI.

The Forum has identified tax issues (broadly defined to include all forms of taxation, including excises) which will need to be addressed if the BRI is to reach its full potential. The new BRI Forum has worked with leading Chinese and foreign academic institutions, governments, and business on solutions to avoid cross-border tax disputes along the BRI. It meets on an annual basis in different countries on the route, holds technical workshops on specific issues, publishes discussion papers and feeds into the policy debate in the relevant countries. The first meeting of the Forum took place in Beijing on June 12-13, 2017 and the second event was held in Vienna on April 17, 2018.

The outcomes of these meetings were published in a book (Removing Tax Barriers to the Belt and Road Initiative, Kluwer 2018) consisting of findings presented during the Tax Policy Forum on the Belt and Road Initiative held in Beijing, jointly organized with Peking University Tax Law Center and Central University of Finance and Economics (CUFE).

The GTPC was also present at the launch of Britacom in Wuzhen on April 18-20 2019 and the second virtual Britacom Conference on September 7-9 2021. The project is now collaborating with the Research Institute of the Chinese State Administration on Taxation, and the Financial Research Academy of the Republic of Kazakhstan.



Jeffrey Owens and Commissioner Wang



Conference on „Removing Tax Barriers to the Belt and Road“, Beijing, June 12-13, 2017



Jeffrey Owens with tax authorities around the world at „The Belt and Road Initiative Tax Administration Conference“, Wuzhen, China, April 18-20, 2019

The Austrian-Chinese Tax Research Network

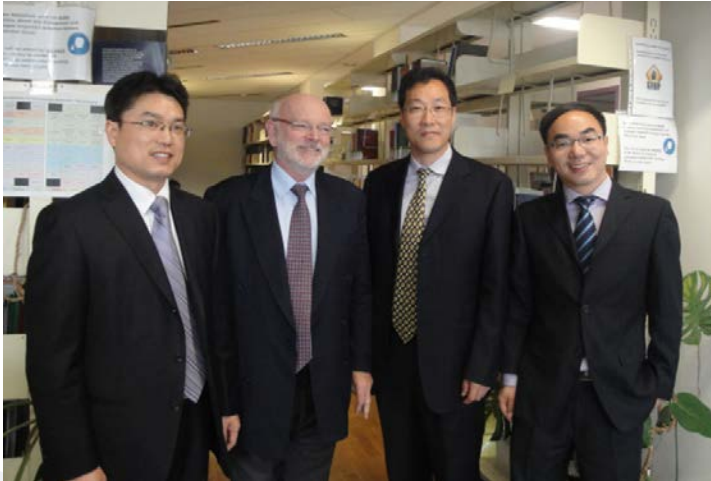
This project looks at how China will need to adapt its approach to international taxation to take account of its growing outward investment, the need for Chinese MNEs to get a better understanding of their compliance obligations when they operate in developing countries, and how China goes about implementing the outcomes from the Two Pillar approach.



Conference on „Emerging Challenges to China's International Tax Arrangements“, Vienna, May 10-11, 2017

Fireside Chats

Fireside Chats (FSC) is a series of informal discussions launched in 2012, involving a 90-minute debate between the Center's Director, Jeffrey Owens, and leading tax personalities to discuss issues which are currently preoccupying governments, business and civil society. The live-streaming enables a wide audience to participate in these policy debates. Past Fireside Chats can also be accessed [on our website](#).



„The Chinese Perspective of Global and Domestic Tax Policy Issues“, together with Xiong Wei (Wuhan University), Yansheng Zhu (Xiamen University) and Bristar Cao (Central University of Finance and Economics) in 2013



Michael Lennard talking about the UN Tax Committee in November 2013



Pascal Saint-Amans, Director of The Centre for Tax Policy and Administration, discussed at the FSC in 2014 the topic: “Beyond BEPS: The OECD’s Wider Tax Agenda”



Robert Stack, Former Deputy Assistant Secretary (International Tax Affairs) at U.S. Department of the Treasury discussed the question: “Can Multilateralism Survive?” in March 2017



Stephen Quest, Director-General for Taxation and Customs Union at the European Commission, engaged in a frank and open discussion with Jeffrey Owens in 2018



Fabrizia Lapecorella, Director General at Ministry of Economy and Finance, Italy, in a lively discussion on „Tax Competition: The New Normal“ in December 2019



Paul Tang, Chair of European Parliament’s subcommittee on taxation (FISC), speaking on “The role of the FISC in the EU tax debate” in April 2022



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Getting there
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