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Media Release

Governments, Practitioners and Business review OECD/G20 Push to rewrite Global Tax Rules

Washington, D.C., June 4, 2014 – With governments from the G20 and other advanced economies moving forward in an effort to rewrite global corporate tax rules, officials from the Organization for Economic Cooperation and Development (OECD) joined national policy makers, business executives and other tax experts to review progress and plot a realistic path forward.

The 2014 OECD International Tax Conference, which wrapped up yesterday in Washington, D.C., provided timely insight into the OECD's work on "base erosion and profit shifting" (BEPS), under which governments are seeking to curtail what they perceive as growing under-taxation or non-taxation of international corporate income. The two-day conference was organized by BIAC's U.S. member federation, the United States Council for International Business (USCIB), in cooperation with the OECD and BIAC. It was the ninth in an increasingly popular annual series of such events held in Washington, D.C. Details are available at www.uscibtax.org.

A year after G20 leaders endorsed a 15-point action plan put forward by the OECD to draw up new global tax rules to counter base erosion and profit shifting, the first group of projects is heading towards completion. This includes work on intangibles, country-by-country reporting, tax treaty abuse, hybrids and the digital economy. The conference provided an opportunity to assess progress to date and look forward to the work that will occupy the OECD over the next year.

Pascal Saint-Amans, director of the OECD Center for Tax Policy and Administration said that OECD was consulting closely and extensively with all countries and stakeholders involved in order to reduce uncertainties. "*With the OECD's member countries, G20 countries and stakeholders, we share the goal of limiting uncertainty in tax systems. In the long run, the best way to make sure that global businesses can operate smoothly, taxed appropriately and not more than once, is for countries to work together rather than take uncoordinated, unilateral actions," said Saint-Amans. "That's what we're working at the OECD to facilitate, and we are fortunate to have so many interested and invested partners as part of this conversation."*

Will Morris, director of global tax policy with GE International and chair of the BIAC Committee on Taxation and Fiscal Affairs, said: "*There is a danger to the OECD's central mission of promoting cross-border trade and investment if the focus of the BEPS project becomes solely about anti-abuse, rather than about improving the international tax system. Furthermore, "unilateral action by states is a real risk. It's in the interest of business to have as broad an agreement as possible, for the sake of certainty."*

Carol Doran Klein, international tax counsel, vice chair of the BIAC Committee on Taxation and Fiscal Affairs and USCIB's vice president,, said that tight deadlines for private-sector input had hampered the BEPS process, and that better avenues for business input were needed. "*Events like this provide a good opportunity for OECD governments and secretariat officials to hear from the business community," she said. "And we need to ensure that the private sector can contribute meaningfully to the detailed technical work being done across a range of areas*."

According to **Bill Sample**, corporate vice president for worldwide taxes with Microsoft and chair of USCIB's Taxation Committee: "*This conference underscores the importance and complexity of the debate around BEPS and global tax policies, and the OECD's centrality in it. The OECD process gathers the most important government officials, and benefits from strong business participation. While there have been differences of opinion, it is clear that the OECD offers the best forum for such discussions.*"

IRS Commissioner **John Koskinen**, the conference keynote speaker, focused his remarks on evolving cross-border regulatory compliance under the U.S. Foreign Account Tax Compliance Act (FATCA). "Although the policy issues have been settled and tax transparency is the common goal, tax administrators still must answer the question of how we make automated information work well as a practical matter," he said.

On BEPS, Koskinen warned against the development of an overly complex country-by-country reporting system. "*My hope would be that policy and legal determinations not be made without thoroughly considering the practical implications of these decisions, not only for businesses, but for tax administrations*," he stated.

Other speaker at this year's conference included:

- **Mike Williams** of Her Majesty's Treasury in the UK, vice chair of the OECD Committee on Fiscal Affairs
- **Tizhong Liao**, China's director general of international taxation
- **Robert Stack**, deputy assistant secretary for international tax affairs, U.S. Treasury
- **Eduoard Marcus**, deputy director of international and European affairs, French Ministry of Finance
- **Martin Kreienbaum**, director general of international taxation, German finance ministry
- **Armando Lara Yaffar**, director general, Mexican finance ministry.

They were joined by other OECD experts on transfer pricing, international tax cooperation and related matters, tax officials from the U.S. and other OECD governments, and business experts from USCIB and BIAC's global membership.

Founded in 1962 as an independent organisation, the Business and Industry Advisory Committee to the OECD (BIAC) is the officially recognised representative of the OECD business community. BIAC's members are the major business organisations in the OECD member countries and a number of OECD observer countries.

For more information, visit the USCIB website or contact Maud Garnier, BIAC Communications Manager.