Business at OECD statement on OECD Tax Policy Priorities amid COVID-19

The need for urgent action to address the current COVID-19 crisis underlines the importance of holistic and coordinated approaches to policy-making. Given the dramatic impact of the crisis on the economy, a coordinated approach is particularly important in assessing emergency fiscal measures to support business and employment during the crisis and to ensure a rapid recovery.

In light of this situation, we look to OECD to reinforce its position as the standard setter for international tax policy. Business remains committed to support the OECD’s tax agenda across issues, and urges at this current juncture to consider adjusting timelines for priority projects as deemed necessary to effectively align short, medium and long term policy measures needed for a full and swift economic recovery.

At present, companies across the globe face critical resource constraints as they work to keep crucial activities and production going. COVID-19 has abruptly and dramatically changed where people work due to issues such as travel restrictions, border closings, and confinement measures. This places serious constraints on the ability of companies to do their daily business and even more so to effectively engage and contribute to significant policy projects, which is indispensable for a successful outcome.

In this context we recommend that the OECD prioritize work responding to the COVID-19 crisis, exit, and recovery (in this order), as outlined in the points below, to promote tax certainty and demonstrate that the tax system is helping rather than hindering the critical commitment to encouraging cross-border trade and investment:

- Adopting policies that alleviate companies’ short term need for liquidity and resource flexibility should have highest priority, in line with the emergency tax policy responses that the OECD has published already. This will focus strained resources on the critical items needed to persist through the crisis and ensure that our essential global economic fabric remains in place.

- Developing mid term incentives that spur rapid economic growth, ensuring that companies (and employees) post crisis can regain their footing and productivity, should be the second priority. This implies the need to define clear criteria and data points when this target has been achieved and these measures can be phased out.

- Longer term projects, including the project on taxation of the digitalising economy, should be addressed in a way that ensures continued coordination with business in light of necessary capacity and resource constraints. As needed, these projects may require adjustment of time lines given their importance in the crisis recovery when there will also be a need for the restoration of public budgets and compensation of the above measures. When implemented too early, those projects could neutralize the above mentioned mid term incentives.

For all the above policy priorities, international consensus remains the ultimate goal, taking into account that governments and taxpayers currently must cooperatively channel their resources to addressing the COVID-19 pandemic. We therefore also caution against any unilateral actions which will compound uncertainty, increase costs, and erect trade barriers in the current environment.

Our commitment remains to continue a coordinated cooperative approach with the OECD to ensure a successful outcome for all.