

# GLOBAL MINIMUM TAX AND DEVELOPING COUNTRIES: What Next?

## Global Minimum Tax and Developing Countries: What Next?

In October 2021, the OECD-led Inclusive Framework on Base Erosion and Profit Shifting reached agreement on a two-pillar solution to address the tax challenges arising from the digitalization and globalization of the economy. Pillar I defines new nexus and allocation rules for large profitable multinationals, while Pillar II sets Global Anti-Base Erosion rules (GloBE) which act as a global minimum tax of 15 percent for multinationals with consolidated group revenue above €750 million. Pillar I will be implemented through a multilateral convention that is to be developed and opened for signature in 2022, with effect in 2023. Pillar II's GloBE should be brought into laws of Inclusive Framework members in 2022 to be effective in 2023. On December 20, 2021, the OECD released Pillar II model rules for domestic implementation of the GloBE. These offer useful practical guidance, but also raise questions and concerns for developing countries charged with implementing them in the coming months. Besides the formal legislative changes needed for implementation, and the administrative challenges, developing countries also need to assess their strategic tax policy response to the new international taxation paradigm, including the impact of the GloBE on tax incentive schemes for foreign investment. The conference will bring together experts, policy makers and stakeholders to discuss these issues.

**TUESDAY, April 26, 2022**  
**8:00–11:00 a.m. EST**

7:30 a.m. **Login** will start via Zoom

8:00-8:05 a.m. **Welcome** by Organizers  
*Eduardo Camero (IMF) / Sébastien Leduc (IMF)*

8:05–8:15 a.m. **Opening Remarks**  
*Vitor Gaspar (IMF) and Marcello Estevão (WBG)*

### Implementation Challenges of Pillar II for Developing Countries

8:15–8:30 a.m. **Presentation:** Key features of the GloBE agreement and main challenges for developing countries.  
*Li Liu (IMF)*

8:30–9:05 a.m. **Panel Discussion:** This panel will discuss key implementation challenges, with focus on developing countries.

**MODERATOR:** *Chiara Bronchi (WBG)*

**SPEAKERS:**

- Sol Picciotto (Lancaster University, ICTD)
- Esther Koisin (Inland Revenue Board, Malaysia)
- Giorgia Maffini (PwC, United Kingdom)
- Rasmi Das (Ministry of Finance, India)

9:05–9:20 a.m. **Questions** from the audience

### Keynote Address

9:20-9:40 a.m. **Keynote Address: Michael Devereux (Oxford University)**

9:40-9:55 a.m. **Keynote Speaker Question and Answers (Q&A)**  
*Moderator: Ruud de Mooj (IMF)*

## Impact of Pillar II on Incentives for Investment in Developing Countries

9:55–10:10 a.m. **Presentation:** Foreseeable impact of Pillar II on tax incentive schemes in developing countries.  
*Sebastian James (WBG)*

10:10–10:45 a.m. **Panel Discussion:** This panel will discuss the impact of Pillar II on tax incentive schemes in developing countries.

*MODERATOR: Alexander Klemm (IMF)*

*SPEAKERS:*

- Nadine Riedel (University of Münster)
- Fatmir Besimi (Minister of Finance, North Macedonia)
- Anthony Munanda (ATAF)
- Alvaro Romano (Professor, University of the Republic, Uruguay)

10:45–11:00 a.m. **Questions** from the audience

11:00 a.m. **Closing Remarks**  
*Ruud de Mooij (IMF)*