



# Corporate taxation in the global economy

10<sup>th</sup> IMF-Japan High-Level Tax Conference For Asian Countries in Tokyo

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## I. Global Economy – Risks and Challenges

- (A) Surveillance of global economic risks*
- (B) Global imbalances*
- (C) Aging and its policy implications*

## II. Actions toward Robust Growth

- (D) Quality infrastructure investment*
- (E) Resilience against natural disasters*
- (F) Strengthening health financing for moving towards Universal Health Coverage in developing countries*
- (G) Debt sustainability and transparency in Low-Income Countries*

## III. Response to Structural Changes caused by Innovation and Globalization

- (H) International taxation*
- (I) Addressing financial market fragmentation*
- (J) Financial innovation - opportunities and challenges*

## ***G20 Buenos Aires Leaders' Declaration (December 1, 2018)***

- 26. We will continue our work for a globally fair, sustainable, and modern international tax system . . . .
  
- Building on significant progress in recent years, more needs to be done.
- Japanese Presidency focuses on:
  1. tax challenges arising from digitalization
  2. implementation of the BEPS package
  3. exchange of tax information
  4. assistance to developing countries
- Japan will host a ministerial symposium on June 8.

## ***G20 Buenos Aires Leaders' Declaration (December 1, 2018)***

- 26. ... We will continue to work together to seek a consensus-based solution to address the impacts of the digitalization of the economy on the international tax system with an update in 2019 and a final report by 2020.
- The Inclusive Framework on BEPS (IF) discussing proposals on nexus and profit allocation and those on BEPS issues.
- We aim to set out policy directions and concrete steps for a consensus-based solution in June.

# ***Addressing tax challenges arising from digitalization***

## ***Interim report by Task Force on the Digital Economy (March 2018)***

- Committed to work together towards consensus-based long term solution by 2020, with an update in 2019

## ***Policy Note by the Inclusive Framework on BEPS (January 2019)***

### ***Public consultation (February - March 2019)***

- Pillar 1: Revision of profit allocation and nexus rule (User contribution, Marketing intangible, Significant economic presence)
- Pillar 2: Global anti-base erosion proposal
- Over 210 comments were submitted and 400 people attended public consultation.

## ***Elaboration of a detailed program of work***

- Inclusive Framework meeting on May 28-29, 2019

## ***G20 Buenos Aires Leaders' Declaration (December 1, 2018)***

- 26. ... Worldwide implementation of the OECD/G20 [BEPS] package remains essential. ... We continue to support enhanced tax certainty ... .
- 3 years since the BEPS reports were released in Oct. 2015.
- Recent achievements: IF membership expanding to around 130; MLI (Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS) effective.
- OECD report on the BEPS Project and IMF/OECD update on tax certainty in June.

## ***G20 Buenos Aires Leaders' Declaration (December 1, 2018)***

- 26. ... We ... acknowledge the strengthened criteria developed by the OECD to identify jurisdictions that have not satisfactorily implemented the tax transparency standards. Defensive measures will be considered against listed jurisdictions.
- Automatic exchange of info on non-resident financial accounts (CRS: Common Reporting Standard) and Country-by-Country Reports started.
- OECD report on tax transparency in June; an updated list of jurisdictions failing to meet the new tax transparency criteria in June (to be finalized under the Japanese Presidency).

## ***G20 Buenos Aires Leaders' Declaration (December 1, 2018)***

- 26. ... We continue to support enhanced ... tax capacity building in developing countries, including through the Platform for Collaboration on Tax.
- TA is key to fight against tax avoidance and evasion, and domestic revenue mobilization (DRM).
- Medium-term revenue strategy (MTRS) helps DRM.
- MTRS needs donor coordination, where PCT has a role to play.
- PCT progress report in June.



# G20 Finance Track Schedule in 2019

Month	Date	Event	Location
Jan	16	Seminar on Innovation for Inclusive Development	Tokyo
	17	Symposium on Demographic Changes and Macroeconomic Challenges	
	17-18	Finance and Central Bank Deputies Meeting	
April	2(TBD)	Roundtable on AML/CFT issues relating to financial innovation	Washington, D.C.
	10 or 11	Seminar on Global Imbalances	
	11	Finance and Central Bank Deputies Meeting	
	11-12	Finance Ministers and Central Bank Governors Meeting	
June	7	Symposium on Aging and Financial Inclusion	Tokyo
	6-7	Finance and Central Bank Deputies Meeting	Fukuoka
	8	Symposium on International Taxation	
	8	Seminar on Financial Innovation	
	8	Seminar on Corporate Governance	
	8-9	Finance Ministers and Central Bank Governors Meeting	
	28(TBD)	Joint Session of Health and Finance Ministers	Osaka
	28-29	G20 Leaders' Summit	

\* On the occasion of the Annual Meetings in October, Finance and Central Bank Deputies Meeting as well as Finance Ministers and Central Bank Governors Meeting will be held in Washington, D.C.