



UN WORKSHOP ON PRACTICAL AND POLICY ASPECTS OF TAXATION IN A DIGITALIZED ECONOMY

Virtual Workshop
All times are New York Time
9–11 September 2020 and
15-17 September 2020

PROVISIONAL PROGRAMME *[As of 8 September]*

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| WEDNESDAY, 9 SEPTEMBER 2020 | |
| OPENING AND INTRODUCTION | |
| 9:00 – 9:15 | Welcoming remarks and introduction Mr. Liu Zhenmin, Under-Secretary-General for Economic Affairs, UNDESA |
| ISSUES AND PRIORITIES Objective: This session aims at giving participants a general overview of the challenges of taxing the digitalised economy and the areas countries may focus on in addressing these challenges, as well as opportunities. It will discuss the operation of MNEs in a digitalized economy and how the Covid-19 pandemic has accelerated the digital transformation. | |
| 9:15 – 10:55 | Session 1: Digitalization and its tax impact – what are the issues and what are the priorities? Scene setting/ Facilitation: Carmel Peters (New Zealand)/ Eric Mensah (Ghana) (5 mins each) Presenter: Stephen Shay (Boston College) (25 mins) Discussants (15 mins each): David Bradbury (OECD); Victoria Perry IMF; Krister Andersson (European Economic and Social Committee); Annet Oguttu (African Tax Institute) |
| 10:55 – 11:10 | <i>Virtual coffee break</i> |
| 11:10 – 12:00 | Interactive discussion of issues and priorities Moderator: Stephen Shay |
| | Expected outcome: <ul style="list-style-type: none">• Participants should have a clearer understanding of the challenges and opportunities of taxation of the digitalized economy and be able to identify what some of the priority areas in their countries would be. |

THURSDAY, 10 SEPTEMBER 2020

MULTILATERAL ISSUES AND APPROACHES UNDER THE OECD/IF PILLAR ONE PROPOSAL

Objective: This session will highlight the multilateral issues arising in addressing the tax challenges of the digitalized economy and introduce the participants to the unified approach proposed by the OECD/Inclusive Framework under the Pillar One proposal and its potential pros and cons and challenges and opportunities for developing countries.

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| 9:00 – 11:10 | <p>Session 2: Multilateral issues and approaches</p> <p>Scene setting/ Facilitation: Armando Lara (ex-Tax Committee Chair: (8 mins)</p> <p>The Issue and Current OECD/ Inclusive Framework Pillar 1 proposals</p> <p>Presenter: Matt Andrew & Sophie Chatel (OECD) (30 mins)</p> <p>Presenter: Sam Sim (UNDESA consultant) (25 mins)</p> <p>Discussants (10 mins): Allison Christians (McGill University, Canada); Tom Roesser (Microsoft); Jose Troya Gonzalez (Ecuador); Marilou Uy (G24), Anna Theeuwes (Shell); Sol Picciotto (International Centre for Tax and Development)</p> |
| 11:10 – 11:25 | <p><i>Virtual coffee break</i></p> |
| 11:25 – 12:00 | <p>Interactive discussion of multilateral issues and approaches Moderated by Thulani Shongwe (ATAF) and Carlos Protto (Argentina)</p> |
| | <p>Expected outcome:</p> <ul style="list-style-type: none">• Participants should have a clearer understanding of Pillar One proposals and be in a better position to identify the opportunities arising out of the proposal and challenges they may face as developing countries in trying to implement the proposals put forth. They should be in a better position to evaluate, advise and input on related issues.• Participants should be better able to give suggestions, as part of ongoing discussions, on how the proposals in Pillar One can be improved to make them most relevant to their circumstances and priorities as developing countries, while still being capable of international agreement. |

FRIDAY, 11 SEPTEMBER 2020*

*** NOTE THAT THIS DAY FINISHES AT 12.30 PM, RATHER THAN 12.**

UNILATERAL ISSUES AND APPROACHES

Objective: This session aims to familiarize participants with: unilateral approaches taken by countries to address the tax challenges of the digitalized economy, including the digital services tax introduced in various countries; the efficacy of these approaches; and alternatives to the digital services tax. It will address the impact of unilateral measures on businesses operating in multiple jurisdictions. Possible pros will include the relative speed of response and tailored responses. Possible cons will include the risk of different regimes, multiple taxation of the same income and the risk of wider international tensions.

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| 9:00 – 10:15 | Session 3: Unilateral approaches – including digital services taxes (DSTs) Scene setting/ Facilitation: Anthony Munanda (ATAF) (8 mins) Possible types of DSTs and their pros and cons Presenter: Wei Cui (University of British Columbia, Canada) (20 mins) Discussants: (15mins each); Mitchell Kane (NYU); Liz Chien (Ripple Labs) Sol Picciotto (ICTD). |
| 10:15 – 10:30 | <i>Virtual Coffee Break</i> |
| 10:30 – 11:00 | Interactive discussion of unilateral approaches moderated by Anthony Munanda (ATAF) |

A PARTICULAR ISSUE: MARKETING INTANGIBLES

Objective: This session addresses the issue of marketing intangibles under the digitalized economy, their creation and remuneration where there is increased focus on market jurisdictions in taxation of the digitalized economy. Particular focus will be given to the relevance of marketing intangibles for developing countries which are mainly market jurisdictions. This is designed to show that the increasingly digitalized economy has impacts beyond the provision of services that are relevant for developing countries, especially with emerging and changing consumer markets.

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| <p>11:00– 12.30</p> | <p>Session 4: A particular “digitalized economy” issue: marketing intangibles and developing countries</p> <p>Scene setting/ Facilitation: Stig Sollund (Norway) (8 mins)</p> <p>Presenter: Marc Levey (Baker McKenzie/ NYU) (20 mins)</p> <p>Discussants (8 mins each): Monique van Herksen (Simmons and Simmons); Janine Juggins (Unilever); Maria Jose Santos (Uruguay); Emily Muyaa (IBFD); Michael McDonald (EY); Lorraine Eden (Texas A&M); John C Hughes (IRS, USA)</p> <p>Interactive discussion of marketing intangibles moderated by Marc Levey</p> |
| | <p>Expected outcome:</p> <ul style="list-style-type: none"> • Participants should have a clearer understanding of the key elements of the various unilateral measures introduced by countries plus their impact domestically and on other jurisdictions where the MNEs being taxed operate. They should also be better able to determine whether these are desirable in their countries. • Participants should have a clearer understanding of marketing intangibles and how to treat these in taxation of the digitalized economy. They should also be in a better position to identify the challenges posed for market jurisdictions when taxing marketing intangibles in the digitalized economy. |

TUESDAY, 15 SEPTEMBER 2020

BILATERAL APPROACHES

Objective: This session examines existing bilateral relationships between jurisdictions and the impact of taxation of the digitalized economy. In particular the session will examine the impact measures to address tax challenges of the digitalized economy will have on treaties in their applicability, eliminating double taxation and avoiding and resolving disputes. Recent developments in the context of the UN Tax Committee will be noted, as will the relationship of bilateral approaches to domestic legislation and to regional initiatives.

9:00 – 10.30

Session 5: Bilateral relationships – tax treaties and digitalization

Scene setting/ Facilitation: Liselott Kana (Chile) (10 mins)
Update on relevant work of the UN Tax Committee and Subcommittee and current developments (6 mins each): Aart Roelofsen (Netherlands) – General overview; Rajat Bansal (India)- Proposed Article 12B

Presenter: David Rosenbloom (NYU) (30 mins)
Discussants: (12 mins): Mustapha Ndajiwo (African Centre for Tax and Governance); Aart Roelofsen (Netherlands); Rajat Bansal (India)

10:30 – 10.45

Virtual coffee break

10:45 – 11.15

Interactive discussion of bilateral approaches moderated by Liselott Kana/ David Rosenbloom

MULTILATERAL PROPOSALS TO ADDRESS PROFIT-SHIFTING

Objective: This session aims at giving participants an understanding of the key elements of the OECD’s Pillar Two proposal, which is set to establish a minimum tax rule and proposes some mechanisms, namely the income inclusion rule, the switch-over rule, the undertaxed payments rule and the subject to tax rule.

11:15 – 12.00

Session 6: Pillar Two – the “Global Anti–Base Erosion” or “GloBE” proposal to address profit–shifting

Presentation on the elements of Pillar Two

Achim Pross (OECD) / Sandy Radmanesh, Senior Tax Counsellor, German Embassy, Washington DC

Expected outcome:

- Participants should have a better appreciation of the impact the solutions put forward for taxation of the digitalised economy will have on treaties and how issues of elimination of double taxation and dispute resolution will be addressed bilaterally.
- Participants should have a clearer understanding of the elements of the GloBE proposal to address profit shifting in the digitalised economy and provide for minimum taxation, including its likely impact on domestic policies and administration, as well as taxpayer behaviour. They should be in a better position to evaluate, advise and input on related issues.



WEDNESDAY, 16 SEPTEMBER 2020

MULTILATERAL PROPOSALS TO ADDRESS PROFIT-SHIFTING (Continued)

Objective: This session aims at giving participants an understanding of the implication of Pillar 2 for developing countries in various situations. It will discuss, in particular, the impact and interaction of the Pillar Two proposal on tax incentives, an important issue for developing countries.

9:00 – 11:00 **Session 7: Possible implications for developing countries of Pillar Two in various situations:**
Scene setting/ Facilitation: Anita Kapur (former Chairperson, Central Board of Direct Taxes, India and former Vice-Chair UN Tax committee) (10 mins)
Presenter: Brian Arnold (Senior Advisor, Canadian Tax Foundation) (30 mins)
Discussants (12 mins each): John Peterson / Ben Dickinson (OECD); Sandy Radmanesh (Germany); Kwesi Obeng (Oxfam); Lee Corrick (ATAF); Georg Geberth (Siemens)

11:00 – 11.15 **Virtual Coffee Break**

11:15– 12.00 **Interactive discussion on Pillar Two - possible implications for developing countries** moderated by Brian Arnold/ Sandy Radmanesh

Expected outcome:

- Participants should be better able to understand the likely implications of Pillar 2 proposals for their countries and be better placed to consider whether the solutions proposed are effective in addressing the challenge at hand from their country’s perspective.
- Participants should be better able to give suggestions on how the proposals in Pillar 2 can be improved to make them more relevant to their circumstances and priorities as developing countries, while still being capable of international agreement.

THURSDAY, 17 SEPTEMBER 2020

ENGAGING IN THE DIGITALIZED ECONOMY DEBATE –ADMINISTRATION AND CAPACITY DEVELOPMENT ASPECTS

Objective: This session aims at establishing a way forward in supporting countries in their efforts to find solutions to the challenges of taxing the digitalised economy.

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| 9.00 – 10.30 | <p>Session 8: Engaging in the digitalized economy debate</p> <p>Scene setting/ Facilitation: Navid Hanif (UN) (8 mins)</p> <p>Perspectives on key areas for capacity building but also leveraging the opportunities of digitalisation: (8 minutes each)</p> <ul style="list-style-type: none">• Pascal Saint-Amans (OECD)• Juan Toro (IMF)• Liselott Kana (Chile)• ATAF Representative• Anita Kapur (fmr Chairperson, Central Board of Direct Taxes, India)• Annet Oguttu (African Tax Institute) <p>Interactive discussion</p> <p>Expected outcomes:</p> <ul style="list-style-type: none">• Participants should be better able to identify the opportunities and risks, posed by digitalization of the economy and to determine how to leverage on the opportunities and manage the risks involved.• Participants should be more able to identify the priority areas for their countries and have a better understanding of what information and understanding they will further require as well as how to achieve buy-in from their respective governments.• Participants should be better able to determine the kind of support their countries require to address the tax challenges of the digitalized economy, where to get this support and what further capacity development they might need. |
| GENERAL QUESTION AND ANSWER SESSION, FEEDBACK AND CLOSE | |
| | Session 9: Facilitation: UN Secretariat |
| 10:30 – 11:30 | General questions and answers |
| 11:30 – 11:50 | Feedback: what went well and what can be done better for similar capacity development activities in future? |
| 11:50 – 12:00 | Close of Workshop |