

**From:** Ana Cebreiro Gomez  
**To:** Michael Lennard; Taxcommittee  
**Cc:** Marcello Estevao; Norbert Roller; Colin John Clavey; Benjamin David Stewart; Cristian Oliver Lucas; Jonathan Leigh Pemberton; cbronchi [WORLD BANK]  
**Subject:** WB Comments to UN Tax Committee workplan  
**Date:** Thursday, 23 September, 2021 11:45:05 AM  
**Attachments:**

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Dear Michael

Thank you for the invitation to comment on the United Nations Tax Committee's workplan for the new membership. We support your selection of issues, however, we suggest to add a specific emphasis on tax simplification during the upcoming period.

Why we think tax simplification is an issue worth exploring by the UN Tax Committee:

- We think complex rules, as found in many areas of international tax law, can be impracticable as well as unfair. Low capacity countries, with limited experience in handling complex international tax issues, and often lacking the personnel to devote to, or specialize in, these issues, will barely be able to catch up with OECD countries in the ability to apply rules such as the new multi-level dispute resolution process under pillar 1 or the low return exclusion to the STTR.
- Many stakeholders appear to be concerned by overly complex rules, both in the context of Pillars 1 and 2 and in areas such as transfer pricing. (including delegates to working parties of the IF). Complaints about complexity are being articulated regularly at conferences and meetings by representatives of developing countries.
- Administrative costs are typically regressive. Hence, complex rules favor the largest MNEs (and the largest TAs). A disruption likely not intended.
- Complexity requires ever more effort in capacity building of tax administrations. While capacity building is -no doubt- pivotal to the UN's work on tax, it might also make sense to tackle the same problem from the other end by creating norms that need less capacity to be applied, are less subjective in their application and are less dependent on data and information that is often unavailable to developing countries.
- The rule of law requires clear rules that as far as possible do not give rise to multiple interpretations of sometimes incomplete information (as often occurs in transfer pricing for example) requiring subjectivity in their application. This is particularly important for jurisdictions that lack effective dispute resolution processes. Only then these rules can be equally applied and followed. Without clear and simple rules legal certainty can hardly be achieved.

The World Bank has worked on tax simplification before. It has published a Handbook on [Tax Simplification in 2009](#) and, very recently, a short [policy note](#) on complexities in Transfer Pricing, proposing that international organisations, and others, explore options to fundamentally revisit the current approaches.. Based on our experience, we would be willing to contribute to such effort of the United Nations Tax Committee.

**Saludos,**

**Ana** (on behalf of the WB Global Tax Team)

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