



BEPS ACTION PLAN ACTION 11

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Introduction

1. The Tax Policy and Statistics Division of the Centre for Tax Policy & Administration
2. New Head of Division
3. New Deputy Head of Division – Tom Neubig
4. Recruiting additional staff to tackle the BEPS Action Plan – Action 11 project



The Tax Policy and Statistics Division

1. About 25 staff - economists, lawyers and statisticians
2. TPS is comprised of 5 units:
 - Statistics
 - Personal and Property taxes
 - Business and International taxes
 - Environmental taxes
 - Consumption taxes
3. Range of work and publications:
 - Statistical releases and annual publications
 - Country specific analysis and advice
 - Standard setting, especially in the VAT area
 - Responsibility for BEPS Action 11



The Scope of Action 11

1. Establish **methodologies** to collect and analyse data on BEPS and actions to address it.
2. Develop **recommendations** regarding **indicators** of the **scale** and **economic impact** of BEPS.
3. Ensure that tools are available to **monitor** and **evaluate** the **effectiveness** and **economic impact** of the actions taken to address BEPS on an ongoing basis.
 - This will involve developing an **economic analysis** of the **scale** and **impact** of BEPS (including spillover effects across countries) and actions to address it.
4. Must consider the need for **taxpayer confidentiality** and the **administrative costs** for businesses and tax administrations.



How should we define BEPS?

1. There are a number of studies and data indicating that there is increased segregation between:
 - location where actual business activities and investment take place; and
 - the location where profits are reported for tax purposes.
2. Conceptually, BEPS may be said to represent the difference between:
 - actual payments of income tax (or tax liability accrued); and
 - the counterfactual/benchmark of what should have been paid (or tax liability that should have accrued).



Some of the key questions

1. How should we determine the **scale** of BEPS?
 - Direct measurement
 - Indirect or proxy measurement
2. How should we determine the **economic impact** of BEPS and BEPS counter measures?
 - CIT revenues
 - Production efficiency
 - Competition
3. How should we **collect** and **analyse** BEPS data?



Collection and analysis of data

Some potential approaches include:

1. Uniform methodology applied to all countries, using aggregate data such as:
 - FDI data
 - Balance of Payments
 - National Accounts
2. Focus on a number of countries to obtain a global estimate, using micro-level data such as:
 - Financial statements
 - Tax return data
 - New and emerging datasets



Next steps

1. OECD Working Party 2 to continue its consideration of Action 11
2. WP2 has established Action 11 Focus Group
3. Process is still at its early stages, but likely to follow a consultation process
4. Invite stakeholders to engage with us in a broad discussion around these key questions
5. Action 11 – 2015 deliverable



Contact details



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