

Meeting of the OECD Advisory Group for Global Dialogue on Tax Matters

Statement of Outcomes

On 22 May 2024, more than 140 representatives from over 50 jurisdictions and regional and international organisations held a virtual meeting of the OECD Advisory Group for Global Dialogue on Tax Matters¹ (Advisory Group). The meeting was co-chaired by Ms. Marlene Nembhard-Parker of Jamaica and Mr. Neal Burnham of Canada. It provided an informal platform to exchange views and discuss progress, challenges and capacity-building needs in implementing international tax standards. It also discussed the priorities and evolving approaches for future work and co-operation on tax matters.

The Advisory Group discussed the implementation of the measures resulting from the project to counteract base erosion and profit shifting (BEPS). Delegates acknowledged the progress made, as well as the interest and efforts of all stakeholders in continuing to implement these measures. They focused on the benefits of Country-by-Country (CbC) reporting in tackling BEPS-related risks and took stock of relevant activities and tools at the national and international level. They also discussed the role of the Mutual Agreement Procedure in improving the resolution of tax-related disputes between jurisdictions. Delegates highlighted that there was still work to be done toward the full implementation of BEPS measures, including to address the remaining specific constraints faced by developing countries in accessing and using CbC reports, and called for further capacity-building.

The Advisory Group discussed the status of the Two-Pillar Solution to address the tax challenges arising from the digitalisation of the economy (Two-Pillar Solution), the challenges jurisdictions face in adopting and implementing its different elements, and related capacity-building needs. Delegates noted the potential benefits that could derive from the implementation of the Two-Pillar Solution, especially the additional tax revenues which could flow from the application of the Global Minimum Tax. They highlighted the challenges in assessing the domestic impact of the new rules, including on tax incentives, in prioritising and sequencing reforms in resource-constrained settings, and in engaging with the political decision-makers to enlist their support. Delegates called for increased and sustained capacity-building efforts at all levels and in all formats to support the effective and consistent implementation of the new rules and ensure they fully deliver their potential for developing countries.

The Secretariat provided an overview of the OECD's tax capacity-building activities and tools, relevant partnership arrangements, impact assessment, and evolving needs and approaches. The Advisory Group noted budgetary and other practical constraints that limit developing countries' ability to benefit from available opportunities for in-person training, especially when it implies long-distance travel. Delegates discussed different initiatives to improve the effectiveness and efficiency of tax capacity building, including continuing to offer both virtual and in-person training, expanding the availability of hybrid events, making more funding available for in-person workshops, monitoring

¹ In 2021, the OECD updated the mandate as follows: *“the Advisory Group provides a flexible platform for officials from developed and developing countries to exchange views and promote dialogue on tax matters, with a view to fostering developing countries' contributions to the work of the OECD's Committee on Fiscal Affairs (CFA), including in its Inclusive Framework format. The Advisory Group has a role in contributing to the development, delivery and monitoring of the capacity-building programmes offered by the OECD to the developing world on tax matters, including both multilateral and bilateral support programmes. The Advisory Group will also discuss and share with the CFA developing country perspectives on the development of standards, best practices and guidance undertaken by the CFA.”*



impact, and promoting greater collaboration among different stakeholders, for example, by co-hosting events. The Advisory Group welcomed the progress in improving the inclusiveness of the OECD capacity-building programs e.g., in terms of gender, geographical and linguistic representation, and encouraged the Secretariat to continue its efforts in this area.

Finally, the Advisory Group reflected on several areas of work, beyond BEPS and the Two-Pillar Solution, that had the potential to further support developing countries in mobilising domestic resources. The issues discussed included VAT on e-commerce, digitalisation of tax administration, and taxation of extractive industries. Delegates commented on their priorities, presented successful country experiences, and called for strengthened capacity building to further unleash their revenue potential in these areas. Delegates also considered how tax systems could support other development goals, such as addressing inequality. They concurred on the importance of toolkits and other data and analysis resources to support jurisdictions in assessing policy options to further development objectives.