



## **SOUTH CENTRE TAX INITIATIVE**

# **PEER EXCHANGE CAPACITY BUILDING MODULE: INTERNATIONAL TAX COOPERATION**

March 2021



## INTRODUCTION

The South Centre Tax Initiative (SCTI) seeks to strengthen policies and practices in developing countries by drawing on lessons and experiences from other developing countries. Peer-to-peer knowledge building and exchange on taxation policies is one key strategy for this purpose. South-South peer exchanges among developing countries from different regions open spaces for innovation and expand the capacities of tax officials to design more effective and realistic national policies in line with their capabilities and that are more likely to bring in revenue. These exchanges also increase the ability of Global South tax officials to participate actively in international standard setting fora, including in the United Nations, the OECD, and other bodies.

Peer exchange activities in learning and collaboration provide the opportunity for special focus on topics of priority for developing countries and those high in the agenda of the global reform effort, including those emerging from the OECD, UN, and other international agencies.

In addition, increased cooperation among developing country tax officials can also help identify areas of common interest in the international tax agenda, which will enable developing countries to arrive at consensus positions for norms and mutual action at the regional and global levels.

## SUBSTANTIVE ISSUES

The peer exchange module will cover the following topics:

### Exchange of Information and Risk Assessment

Accessing tax-related data of residents from other jurisdictions is a key requirement for being able to assess their tax dues and assess risk. Only when tax officials have the full data on the foreign income and assets of residents can they accurately assess how much tax they have to pay. With the decline of banking secrecy and the maturity of international mechanisms for exchanging information, more and more developing countries are able to obtain such information from tax havens and developed countries, some of which are one and the same. These mechanisms include Article 26 of the UN and OECD Model Conventions, Tax Information Exchange Agreements, the Convention for Mutual Administrative Assistance in Tax Matters and the Common Reporting Standard. Automatic Exchange of Information (AEOI) in particular has emerged as a useful tool.



**Peer Exchange Delivered By:**

- a. Pedro Augusto Frantz, representing the government of **Brazil**, will share the experience on the use of individual and company taxpayer data obtained through the Common Reporting Standard and other instruments.

**Negotiation of DTAA's**

Double Tax Avoidance Agreements distribute taxing rights between countries, but their negotiation is an art which requires careful consideration of policy priorities. Developing countries in particular face difficulties when negotiating with their developed country counterparts who seek to restrict source taxing rights and maximize rights for the country of residence. A more structured and coordinated approach can increase the benefits for developing country tax negotiators.

**Peer Exchange Delivered By:**

- a. Eric Mensah, Co-Chairperson, Member of the UN Committee of Experts on International Cooperation in Tax Matters.

**MODALITY**

The South Centre will facilitate the peer exchange module which will take place virtually. It will be a two-day program of two hours per day. The timings are from 29-30 March 2021 from approximately 1400-1600 CET.

**Registration link:**

<https://zoom.us/join/zoom/register/tJAofuqvqjovHNUDnI9oM15IrqB-61EOya6T>