

Reading List

International Tax

Essential Readings

Oguttu, A.W. (2021). “Tax Reforms for Africa to Achieve the UN Sustainable Development Goals in the Post-COVID-19 Economic Fallout” *British Tax Review* Issue 3 (2021) 298 -327.

This article suggests some feasible measures that can be implemented by African countries to increase revenue collections, in light of the COVID-19 economic fallout. It argues that, instead of coming up with new taxes in a situation where there are insufficient funds to set up the necessary administrative and implementation structures, debt stricken and capacity constrained African countries need to rethink how they can broaden their tax bases and curtail activities that narrow their tax bases in a way that requires less costly administration. This includes strategising on how to tax better, how to enforce existing rules and how to use the revenue tools already available effectively. Although it does not focus only on international taxation, the article includes extensive discussion of international tax issues such as base erosion and profit shifting, exchange of information, and the challenges of digitalisation of the economy, placing them in a broader context. The article gives examples of African countries that are already applying some of the measures it discusses; which, for other policy makers, is testament to the fact that such measures are feasible to emulate.

Burgers, I., and Valderrama, I.J.M. “Corporate taxation and BEPS: A fair slice for developing countries”, *Erasmus L. Rev.* 10 (2017): 29

This paper presents an overview of the reasons which led to the creation of the Base Erosion and Profit Shifting (BEPS) initiative of the OECD, which aims to counteract aggressive tax planning from MNEs to preserve the integrity and fairness of national tax systems. After assessing its shortcomings – lack of participation of developing countries in the BEPS decision making process and exclusion of allocation of taxing rights between developed and developing countries from BEPS scope – it then moves to discuss different perceptions of “tax fairness”. The authors argue that higher dependence on CIT in developing countries – as well as differences in juridical approaches to taxation of MCN – implies that their conception of “tax fairness” does not fully match that of developed ones. The final section of the paper offers a series of recommendations to different actors on how to better address fairness in the context of international taxation.

Christensen, R.C., Hearson, M & Randriamanalina, T. (2020). “At the Table, Off the Menu? Assessing the Participation of Lower-Income Countries in Global Tax Negotiations” ICTD Working Paper 115.

Since 2013, the formal structure of global corporate tax policymaking at the OECD has changed. Decisions are no longer made by 37 OECD members, but by around 140 countries from all regions and levels of development through the ‘Inclusive Framework’ (IF). Official documentation emphasises that all countries participate on an ‘equal footing’, but some participants and observers have emphasised that developing countries in particular face practical obstacles that lead to unequal participation in practice. This paper assesses these claims, drawing primarily on 48 interviews with negotiators, policymakers and stakeholders involved in global tax discussions. Emphasising that the explosion in formal membership has not in itself led to the step-change in developing country influence that the raw numbers imply, the paper develops a typology of mechanisms through which some successes have been achieved: association with the efforts of more powerful states, anticipation of lower-income countries’ needs by the OECD secretariat and others, collaboration to form more powerful coalitions, and the emergence of expert negotiators with individual authority.

Hearson, M., Ndubai, J.W., and Randriamanalina, T. (2020). The Appropriateness of International Tax Norms to Developing Country Contexts. FACTI Panel Background Paper 3. New York: United Nations.

This Background Paper, written for the High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda, considers six sets of international tax norms: tax treaties (often known as double taxation agreements), transfer pricing rules, mutual assistance agreements between states, state-state and investor-state tax dispute resolution mechanisms, coercive mechanisms that oblige states to adopt international tax norms or face sanctions from powerful states, and finally the embryonic framework for applying these norms to the digitalising economy.

Further Readings

African Tax Administration Forum (2019) "The Place of Africa in the Shift towards Global Tax Governance: Can the Taxation of the Digitalised Economy Be an Opportunity for More Inclusiveness?", African Tax Administration Forum

Ezenagu, A. (2019) "Safe Harbour Regimes in Transfer Pricing: An African Perspective", ICTD Working Paper 100

Global Forum on Transparency and Exchange of Information (2021). "Tax Transparency in Africa 2021: Africa Initiative Progress Report." Paris: OECD Publishing.

Hearson, M. (2021). Imposing Standards: The North-South Dimension to Global Tax Politics. Cornell University Press

High-Level Panel on Illicit Financial Flows from Africa. Illicit Financial Flows. Addis Ababa: United Nations Economic Commission for Africa, 2015.

Lind, Y., Ed (2021). "Special Issue: International Tax Challenges for Developing Countries". Nordic Journal on Law and Society Vol. 4 No. 01

de Mooij, R. A., Klemm, A. D., & Perry, V. J., Eds. (2021). Corporate Income Taxes under Pressure. Washington, DC: International Monetary Fund.

Mutava, C.N. (2019) "Review of Tax Treaty Practices and Policy Framework in Africa", ICTD Working Paper 102

Ndajiwo, M. (2020), "The Taxation of the Digitalised Economy: An African Study", ICTD Working Paper 107

Readhead, A. (2016) "Preventing Tax Base Erosion in Africa: A Regional Study of Transfer Pricing Challenges in the Mining Sector", Natural Resources Governance Institute, London.

Rukundo, S. (2020) "Addressing the Challenges of Taxation of the Digital Economy: Lessons for African Countries", ICTD Working Paper 105

Zolt, E. M. (2018). "Tax Treaties and Developing Countries". 72 Tax Law Review 111.