



 **TAXAND**



**THE WAY
AHEAD**

Your global tax partner

SESSION OVERVIEW



THE WAY AHEAD

Keith O'Donnell (Luxembourg), Ernie Perez (USA), Suhail Nathani (India), Martin A. Sullivan (Tax Analysts), Grace Perez-Navaro (OECD)

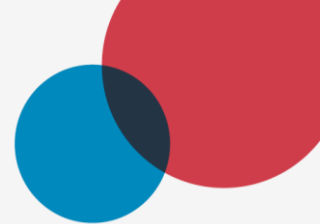
This panel session provides an overview the 2017 US and global tax changes, as well as some “crystal ball gazing” about what is to come in the future (such as legislative changes, unanticipated impacts of hastily enacted changes, tax disputes over hastily enacted changes, tax disputes and taxpayer risks when different national regimes are in conflict).

SESSION OVERVIEW



1. Discussion
 - a. The new normal
 - b. Looking forward
 - c. Responsibilities of the tax community for the future

PANEL INTRODUCTIONS



Panelists

Keith O'Donnell

ATOZ, Taxand
Luxembourg

Ernesto Perez

Alvarez and Marsal,
Taxand USA

Suhail Nathani

ELP, Taxand India

Martin A. Sullivan

Tax Analysts

Grace Perez-Navaro

OECD



**DISCUSSION:
THE NEW NORMAL**

POLLING QUESTION



Q1. Do you feel the OECD's progress and implementation of the BEPS initiative has proved effective?

A

☼ Yes

B

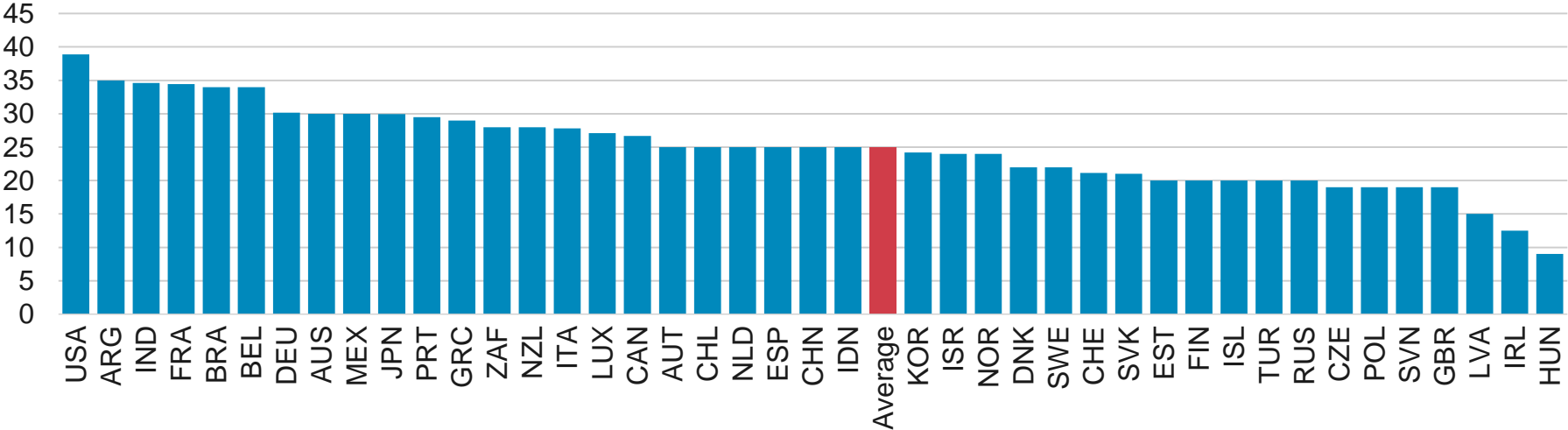
☼ No

US TAX REFORM: RACE TO THE BOTTOM?



Corporate income tax rates in OECD and G20 countries in 2017

Combined central and sub-central CIT rates in OECD and G20 countries in 2017



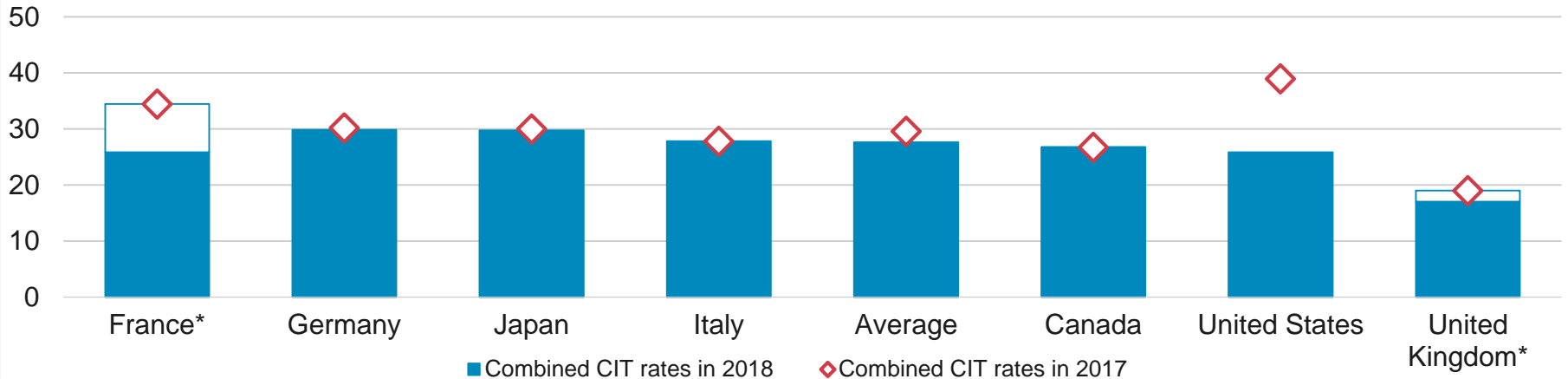
Source: OECD CTPA & Oxford University Centre for Business Taxation.

US TAX REFORM: RACE TO THE BOTTOM?



Corporate income tax rates in G7 countries

Combined central and sub-central CIT rates in G7 countries in 2017 and 2018



Notes: * France's standard CIT rate will be progressively reduced to 25% by 2022.

* The United Kingdom announced a progressive reduction of its standard CIT rate to 17% by April 2020.

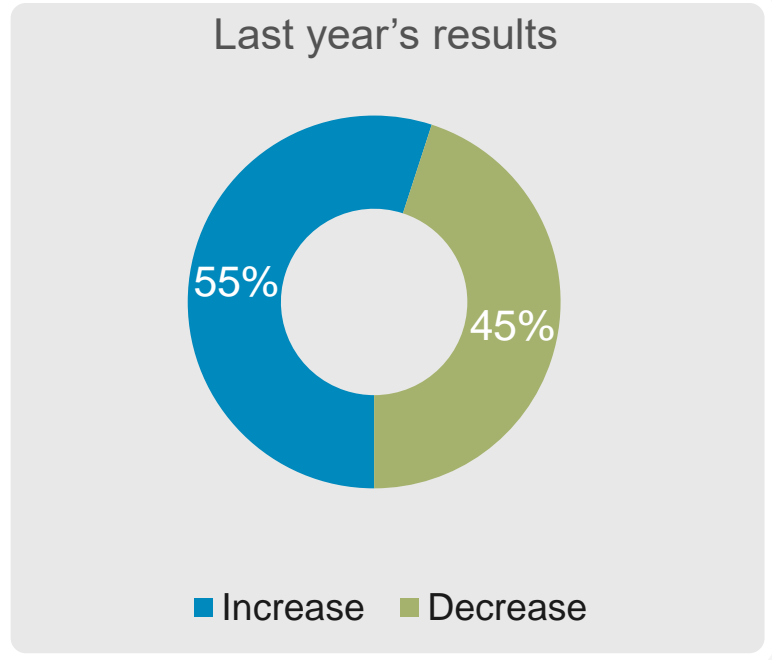
Source: OECD CTPA

POLLING QUESTION



Q2. Have recent plans for US tax reform caused you to alter your tax plans or delay decisions?

- A** Increase
- B** Decrease



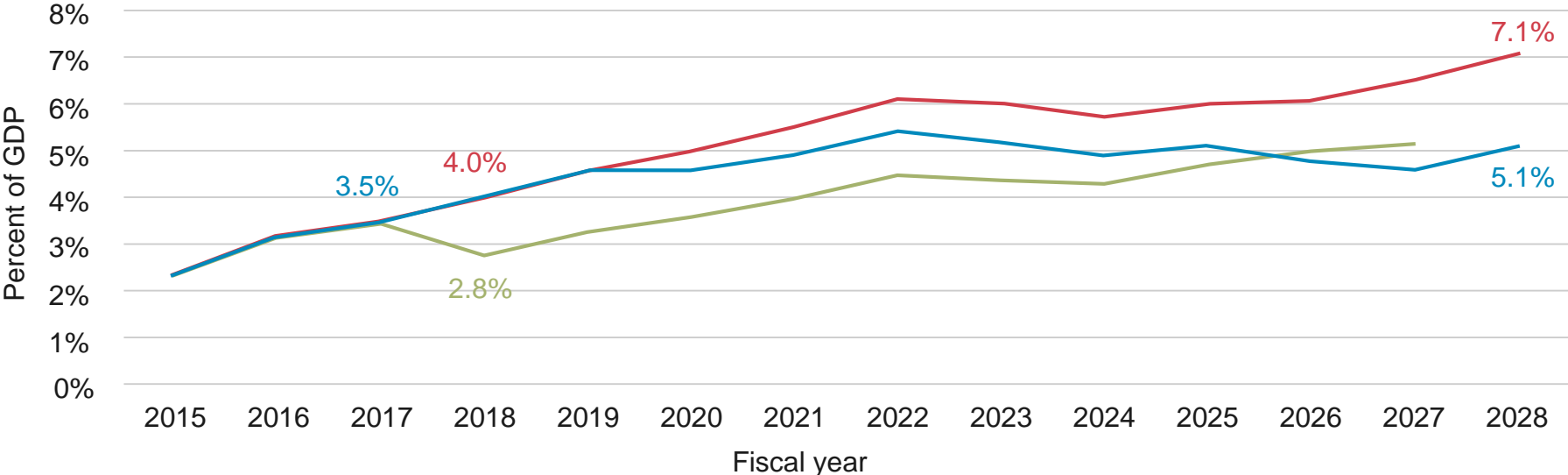


**DISCUSSION:
LOOKING
FORWARD**

US FEDERAL DEFICIT



Figure 2. CBO Projections of Federal deficit as a percentage of GDP



Source: Congressional Budget Office.

— April 2018 baseline — Alternative fiscal scenario — June 2017 baseline

POLLING QUESTION



Q3. How confident are you that global leaders know where they're going with tax policy?

A

Very

B

Sort of

C

Not at all



**DISCUSSION:
RESPONSIBILITIES
OF THE TAX
COMMUNITY
FOR THE
FUTURE**

FAIRNESS AND TRANSPARENCY IN CORPORATE TAXATION (1/2)



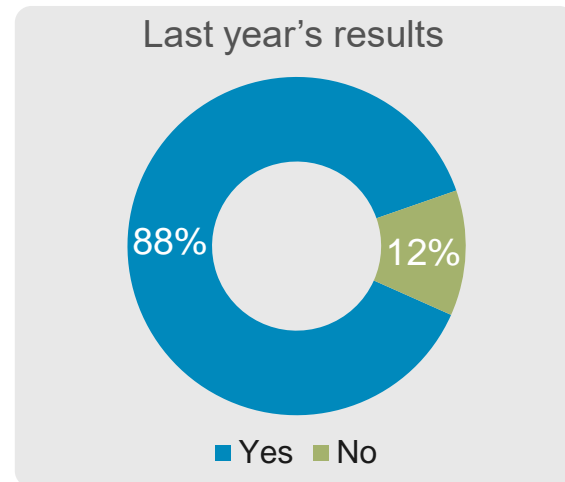
Do we have responsibility to seek a 'fair' level of taxation in addition to responsibilities to pay what's required legally?

Do we have to accept constantly increasing disclosure to tax authorities but also public?



Q4. Are you concerned about the potential exposure (to media, competitors, etc) of the information provided to meet country-by-country reporting standards?

A	<input type="checkbox"/> Yes
B	<input type="checkbox"/> No



FAIRNESS AND TRANSPARENCY IN CORPORATE TAXATION (2/2)





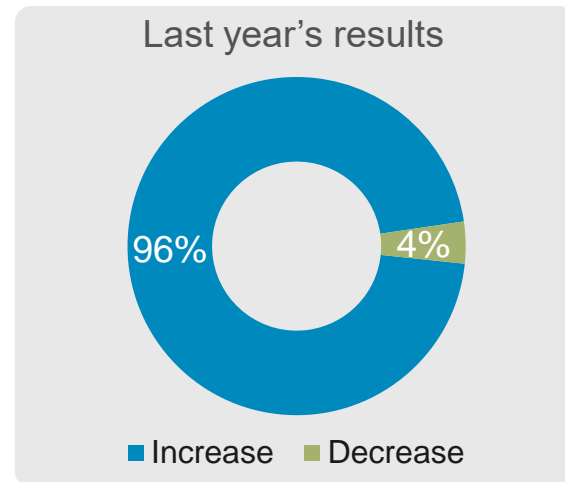
Do we have responsibility to seek a 'fair' level of taxation in addition to responsibilities to pay what's required legally?

Do we have to accept constantly increasing disclosure to tax authorities but also public?



Q5. Do you believe that increasing global tax transparency will increase or decrease the cost of compliance?

- A**  Increase
- B**  Decrease



ARE THE WORLD'S BIGGEST TAX BRAINS SOLVING THE WORLD GREATEST TAX PROBLEMS



Q6. How much of your professional time is spent on taxes that address income inequality and climate change?

A

⌘ > 50%

B

⌘ From 20% to 50%

C

⌘ < 20%

FIVE BIGGEST PROBLEMS IN THE WORLD ACCORDING TO THE MILLENNIALS



1 Climate change

3 Income inequality

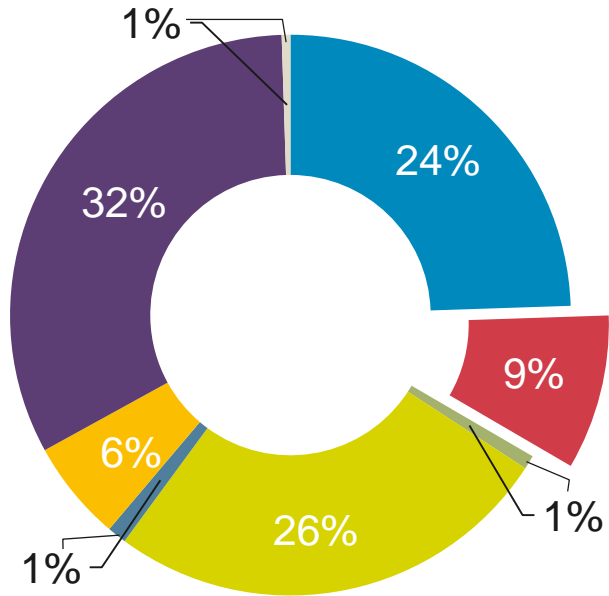


2 War

4 Poverty

5 Religious conflicts

AVERAGE OECD PERCENTAGE OF CORPORATE INCOME TAX ON TOTAL TAX REVENUE 2015



- Taxes on income, profits and capital gains of individuals
- Taxes on income, profits and capital gains of corporates
- Unallocable
- Social security contributions SSC
- Taxes on payroll and workfarce
- Taxes on property
- Taxes on goods and services
- Other

In 2014, **6%** of total tax revenues were environmentally related



Source: OECD.Stat.



**KEY
TAKEAWAYS**

KEY TAKEAWAYS



It is tough to make predictions, especially about the future.



US Tax Cut and Jobs Act is the start of a journey, not a destination.



Build uncertainty into your tax model.



US Tax reform likely to influence future investment rather than restructuring past.



Fairness, inequality and environmental taxation will move up the agenda.



**SPEAKER
PROFILES**

SPEAKER PROFILE



Keith O'Donnell

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Keith O'Donnell is a member of the Taxand Board and the Real Estate Head of Taxand. He is a Managing Partner at ATOZ Tax Advisers, Taxand Luxembourg. Keith has more than 27 years of experience in advising international groups on the design and implementation of global tax strategies. He is also Chair of the Association of Luxembourg Fund Industry DTT commission and a member of various Luxembourg advisory and industry bodies. Keith is a regular author and speaker at professional and academic conferences.

SPEAKER PROFILE



Suhail Nathani

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Suhail Nathani is the Managing Partner of Economic Laws Practice, Taxand India. With over 24 years of experience, Suhail is considered a leading expert in a diverse range of practice areas such as Corporate and Commercial; Private Equity and Venture Capital; Competition Law and Policy; Securities Laws and Capital Markets; and International Trade and Customs.

SPEAKER PROFILE



Ernie Perez

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Ernesto ('Ernie') Perez is a member of the Taxand Board, and Global Practice Leader of Alvarez & Marsal Taxand. Ernie has more than 25 years of experience in structuring all aspects of domestic and cross-border acquisitions, divestitures and reorganisations across a wide range of industries including consumer markets, telecommunications, financial services, real estate, industrial products, leisure, business services and distribution.

SPEAKER PROFILE



Grace Perez-Navarro

OECD

Grace Perez-Navarro is Deputy Director of the OECD's Centre for Tax Policy and Administration. She plays a key role in the Base Erosion and Profit Shifting (BEPS) Project, improving international tax cooperation, tackling illicit financial flows, promoting better tax policies and engaging developing countries in OECD tax work. Since 1997, she has held several key positions including leading the OECD's work on bank secrecy, tax and e-commerce, harmful tax practices, money laundering and tax crimes, the tax aspects of countering bribery of foreign officials, and strengthening cooperation between tax authorities.

SPEAKER PROFILE



Martin A. Sullivan
Tax Analysts

Martin A. Sullivan has written over 500 economic analyses for Tax Analysts' publications and is the author of two books on tax reform, including the recent Corporate Tax Reform: Taxing Profits in the 21st Century.

Previously, Martin taught economics at Rutgers University and served as a staff economist at the US Treasury Department and later at the congressional Joint Committee on Taxation.