

**4 SHORT-TERM PRIORITIES
IN INTERNATIONAL TAXATION** [L] [SEP]

**THE
TORINO-BUSAN
DECLARATION**

[3 OCTOBER 2019]

THE TORINO-BUSAN DECLARATION

GTAP is an international organisation uniting tax professionals from around the world. The term “tax professionals” includes persons engaged at professional level with tax consultancy, as lawyers or as accountants, and accredited as such pursuant to applicable national law, irrespective of membership of GTAP.

The principal purpose of GTAP is to promote the public interest by ensuring the fair and efficient operation of national and international tax systems including recognition of the rights and interests of taxpayers and the role of tax professionals. To this end, GTAP provides the forum for the regular meeting, exchange programme, dialogue and interaction of tax experts from all continents.

On the occasion of the coinciding GTAP meetings in Torino and in Busan, **GTAP is hereby defining 4 key short-term priorities for the pursuit of its principal purpose and aspiring to contribute and shape contemporaneous developments in global taxation.**

THE TORINO-BUSAN DECLARATION

1. Tax for Growth

Welfare and progress of the global community presupposes continuous development at a sustainable rate. Taxation is one of the main factors influencing growth and development. It has been evidenced that the distribution of the tax burden can encourage or discourage economic development. Moreover, tax policy determines the key direction of development, e.g. from gender-responsive & equality-promoting policies to sustainable environmental protection.

Constructing a global tax framework that encourages stable economic growth, widely diffused around the globe and oriented towards improvement of living conditions for all is one of GTAP's principal aspirations.

Developing countries, and the rate of economic growth, are particularly affected by the new trends in international taxation. Working together, we are committed to promoting inclusive and growth-inducing taxation policies. In particular, we share the commitment to improving tax morale as a policy course of action with the most meaningful impact on capacity building and economic growth.

GTAP members aspire to promote policies on increased tax certainty and voluntary compliance as a means for improved tax good governance.

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2. Tax and Climate Change – Sustainable Tax Policies

Climate changes affects us all. Indeed, the intention of a carbon tax is environmental, to reduce emissions of carbon dioxide and thereby slow climate change. GTAP members aspire to share their unique knowledge on tax with governments and other international stakeholders in the process of transition to a low carbon global economy.

Tax policy is a key tool to internalise environmental costs and foster the transition to a low carbon economy, for the generations to come. Future-proof tax systems are an equilibrium between today's public finance needs and tomorrow's sustainable policies.

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3. Tax and Digitalisation

Today, growth is defined largely within the digital framework. Digital technologies have become an integral part of business and everyday life and their impact is expected to expand over time. Therefore, a global approach to dealing with the digital side of the economy is essential.

Digitalisation is simultaneously advancing and disrupting trends in technology, transportation, education and healthcare. Identifying tax rules that can inspire consensus of national legislators around the globe is essential to foster this digital era for the service of humanity. In the area of taxation, digitalisation exacerbates the perceived mismatch between where the value is created and where taxes are paid, which affects the perception of fairness in our tax systems, across borders and nations. Therefore, these significant cross-jurisdictional issues merit a global response, whilst the new “single global tax jurisdiction” demands rules of broad consensus.

We are ready to embrace this change. Due to the fast-paced change of the digital environment, today’s solutions must be future-proof and consistent with the principle of aligning profit with underlying economic activities and value creation. GTAP calls for a coordinated international tax policy response to the challenges posed by digitalisation.

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4. Taxpayers' Rights and Certainty in a Fast-Paced World

Sustainable growth is contingent on effective tax compliance. As such, taxpayers' active and willing compliance ensures more efficient collection of sufficient resources, necessary for fulfilment of the social contract between citizens and governments. When taxpayers' rights are not sufficiently guaranteed, taxpayers' active and willing compliance is undermined. A tax framework that cannot adequately address the current evolving reality results in uncertainty at the expense of tax compliance and economic growth.

Consequently, in a dynamic global economic framework, taxpayers' rights should serve as a beacon of certainty. Certainty with equity, simplicity, and convenience have been noted as the ingredients of an efficient tax system.

GTAP underlines the fundamental importance of taxpayers' rights for tax good governance, and the role played in this respect by the statements of taxpayer, and tax administration, rights and obligations.

To this end, GTAP members urge governments and international bodies to promote a "fundamental right of tax certainty". This right is promulgated in the Model Taxpayer Charter, an initiative of GTAP organisations, CFE Tax Advisers Europe, AOTCA and STEP.



Founders:

CFE



AOTCA



WAUTI





Observers:

IAFEI



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