

Government roundtable – cross-border initiatives and programmes

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During the second day, (4 April 2008) of the Tax planning strategies – US and Europe Conference in Madrid, the participants had an opportunity to listen the Panel concerning both planned and current trends in international operations of tax administration of Spain, the United States and Great Britain. We all had also an opportunity to get to know and discuss solutions concerning international taxation proposed by OECD. The Co-Chairs of the Panel were Hal Hicks (partner of Skadden, Arps, Stale, Meagher & Flom from Washington, DC) and Alexandro Escoda (partner in Cautrecasas Abogados from Barcelona).

Among panelists there were present: Maria Jose Garde (tax administration in Spain), Mike Williams (HM Treasury in Great Britain) and Jeffrey Owens (OECD Centre for Tax Policy and Administration).

As mentioned above, Maria Jose Garde is the Assistant to the Deputy Director General for Non Residents Taxation in the General Directorate for Taxes of the Spanish Ministry of Economy and Finance. Mike Williams is now the director of personal tax and welfare reform at the HM Treasury in the UK.

Finally, Jeffrey Owens is a public finance expert with a doctorate in economics from Cambridge in the United Kingdom. He is the director of the OECD's centre for tax policy administration which basically the total point of the OECD is tax work.

Discussion during the Panel related to:

- tax law reform in Spain concerning transfer pricing;
- debate within the framework of European Union relating to Anti Avoidance Rules and also Authorities attitude towards this issue;
- planned tax law reform by the US Government – creation of advantageous international Tax System of the United States that would be able to compete

on international arena attracting capital and investments;

- tax law reform in Great Britain concerning taxation of companies' foreign profits and also the attitude of British Government in the matter of European Commission project concerning coordination of tax systems within the framework of European Union and also issues relating to exchange of information and transparency.

Generally, the tax administration representatives together with Mr Owens, representing OECD, outlined that the increasing of scope of information exchanged by particular countries, especially the maintenance of transparency and openness between some countries' tax administrations, are the key tasks to be performed.

Also under discussion were plans concerning changes of already-concluded treaties relating to avoidance of the double taxation (eg USA–Poland). US representative described also prospects of conclusion of new treaties and simultaneously reducing of number of countries practising harmful tax competition causing evasion of taxation.

Results of analysis of tax rates obligatory in 2005–2007 in particular countries

Results for: Canada, France, Germany, Italy, Japan, Netherlands, Spain, Norway, Great Britain, the United States, China and India were given to participants at the conference. The analysis shows, that according to data from 2006 the lowest personal income tax rate applied in India (30 per cent), and the highest one was in France (55.9 per cent), however according to data from 2005 the lowest average effective corporate income tax applied in Great Britain (23.9 per cent), and the highest one was in Japan (31.7 per cent) in the respective time frame.