

# Inclusive global tax governance in the Post-BEPS era

Citation for published version (APA):

Kingma, S. (2019). *Inclusive global tax governance in the Post-BEPS era*. [Doctoral Thesis, Maastricht University]. Maastricht University. <https://doi.org/10.26481/dis.20191018sk>

## Document status and date:

Published: 01/01/2019

## DOI:

[10.26481/dis.20191018sk](https://doi.org/10.26481/dis.20191018sk)

## Document Version:

Publisher's PDF, also known as Version of record

## Please check the document version of this publication:

- A submitted manuscript is the version of the article upon submission and before peer-review. There can be important differences between the submitted version and the official published version of record. People interested in the research are advised to contact the author for the final version of the publication, or visit the DOI to the publisher's website.
- The final author version and the galley proof are versions of the publication after peer review.
- The final published version features the final layout of the paper including the volume, issue and page numbers.

[Link to publication](#)

## General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal.

If the publication is distributed under the terms of Article 25fa of the Dutch Copyright Act, indicated by the "Taverne" license above, please follow below link for the End User Agreement:

[www.umlib.nl/taverne-license](http://www.umlib.nl/taverne-license)

## Take down policy

If you believe that this document breaches copyright please contact us at:

[repository@maastrichtuniversity.nl](mailto:repository@maastrichtuniversity.nl)

providing details and we will investigate your claim.

# Valorisation Addendum

---

## 1. What is the social relevance of your research results?

After the 2008 global financial crisis, the international tax landscape really changed. Intergovernmental organizations such as the G20, OECD and UN started working on a fundamental reform of the international tax regime to make multinational enterprises and rich individuals pay their ‘fair share’, while other actors such as developing countries and civil society organizations took on a more prominent role in tax matters. That the issues of the international tax regime were not addressed prior to the 2008 crisis is due to the heavy reliance of countries and independent jurisdictions on tax sovereignty. This is not surprising considering that taxes are the most important source of government revenue, and that the tax system may be used as a tool to attract foreign direct investment. The 2008 global financial crisis has nevertheless built sufficient political momentum for the much needed reform of the international tax regime. In this research, the issues of the international tax regime and the way in which cooperation takes place in the field of taxation stood central. More specifically, this research addressed the central research question: *Which institutional changes should be made to global tax governance to achieve an effective and legitimate international tax regime?*

To answer the central research question, a two-step approach was taken. As a first step, an inventory was made of the actors and other forces influencing countries’ tax sovereignty in order to explore what the issues of the international tax regime are and how they should be dealt with. By doing this, a different way of thinking about tax policy was offered, while at the same time explanations were given for the way in which the actors involved in tax matters behave. The social relevance of the first step of this research therefore lies in creating a better understanding of tax policy and of the behaviour of the leading actors involved in tax matters.

The first step of the research eventually determined the institutional preconditions that global tax governance should fulfil. These institutional preconditions should be applied to the current global tax governance model to determine which institutional changes should be made. Before these institutional changes could be determined, the functioning of the current global tax governance model had to be analyzed in more detail. Whereas others have presented their opinion about global tax governance, nobody ever made an in-depth analysis of its functioning. This research aimed to fill that gap in literature. As a second step, therefore,

the functioning of the leading international tax organizations was investigated, and a case study was carried out into the reform process of the international tax regime. The social relevance of this second step lies in creating a better understanding of the landscape of international tax policy-making.

Based on these two steps, the central research question was answered. The conclusion of the research consists of recommendations for an improved global tax governance model that is fit to achieve an effective and legitimate international tax regime. These recommendations focus primarily on the institutional changes that should be made to the agenda-setting and decision-making processes of setting international tax standards. If these recommendations were implemented at the international level, many issues of international taxation could be tackled. Because the recommendations do not ignore political realities, they may be politically feasible and could eventually lead to changes.

## **2. For whom are your research results of interest and why?**

As set out under (1) above, the research results consist of the creation of a better understanding of tax policy issues, an analysis of the basic landscape of international tax policy-making, and recommendations for improving the global tax governance processes. These research results are of interest to anyone interested in tax policy and governance. Considering the topic of the dissertation, the research results are of particular relevance for tax policy-makers at both the national and the international level, and for other stakeholders involved in tax policy-making.

This research has found that developing countries are the norm-takers of the international tax landscape. To address this issue, this research has put a specific focus on strengthening the position of developing countries. The research results are therefore particularly important for developing countries. They can help them to set better tax policies, and to strengthen their position in the international tax landscape.

Since this research connected the fields of international tax law and international relations, the research results are not only of interest to tax scholars, but also to international relations scholars. Theories and concepts were borrowed from international relations to explain international tax relations. By applying theories and concepts from international relations to international tax law, this research has contributed to theory building in international relations.

### **3. In which actual products, services, processes, activities or commercial activities will your research results be applied and given shape?**

First, it is my intention to adapt this dissertation into a commercial edition, which is to be marketed by an internationally operating publishing house. This allows the research results to be properly distributed amongst the various interest groups mentioned under point (2) above. By means of the commercial edition, I intend to maximize the (potential) social and academic impact of the research results.

The main research results are the recommendations for an improved global tax governance model put forward in the conclusion of the research. These recommendations focus on the choice of forum for international tax cooperation and coordination, the institutional preconditions that such a forum should fulfil, the role that other leading international tax organizations should take on, and the mechanisms that should be put in place to strengthen developing countries' position in the international tax landscape. I hope that these recommendations provide international tax organizations, their member states and other stakeholders with a strong foundation to overcome the institutional shortcomings of the current global tax governance model. I intend to disseminate these policy recommendations via other media as well, for instance via a journal or newspaper article.

Furthermore, one of the most fundamental research results of this research is the analysis that was made of the functioning of the EU, G20, OECD, UN and IMF in tax matters. Chapters 4 to 8 provide an encyclopedic overview of the functioning of these leading international tax organizations, which was missing from literature. The overview of the leading international tax organizations may help anyone interested in tax policy and governance to get a basic understanding of the international tax policy-making landscape.

### **4. To what extent can they be called innovative compared to the existing range of products, services, processes, activities and commercial activities?**

This research is not the first to present a view on the current global tax governance model and its institutional shortcomings. So far, there has however not been an analysis of how global tax governance processes actually work. This research fills that gap in literature by not only analysing the functioning of the leading international tax organizations, but also by analysing the fundamental reform process of the international tax regime that is currently ongoing. This alone is an important contribution to the existing literature on tax policy and governance.

This research has found that there have been significant improvements in global tax governance in recent years. Yet, further improvements are necessary. Other research already concluded similarly, and called for change, i.e. through the establishment of an international tax organization. This dissertation is nevertheless innovative in its realistic approach. Because of the richest countries' preference for the OECD as the leading international tax organizations, it has found that it is politically infeasible to expect that a UN tax body or a new, more inclusive international tax organization would become the leading organization in the short term. Therefore, this research recommends that the OECD's Inclusive Framework on BEPS, which actually can be seen as a blueprint for a truly inclusive forum, should get a chance to prove itself as the leading international tax cooperation and coordination forum. Nevertheless, certain institutional preconditions are attached to this recommendation. By trying to change the current international tax landscape from inside out, this research presents realistic recommendations that may actually be followed by policy-makers.

Because of the dissertation's prime focus on tax policy and governance, it is not like the standard dissertation written by a tax scholar, which tend to focus more on tax technical issues. More generally, it could therefore be said that this research is innovative in its approach. As mentioned already under (2) above, this research takes an interdisciplinary approach, connecting the fields of tax law and international relations theory. By doing this, this research makes a major contribution in filling the gap between these sciences.

##### **5. How will these valorisation plans be implemented? What is the schedule, what are the possible risks, what are the market opportunities and what are the costs?**

Firstly, the research results will be disseminated in traditional manners. As mentioned under (3) above, I intend to publish a commercial edition of this book and a journal or newspaper article on my main conclusions. Additionally, I am planning to give conference presentations about the research results and to write new academic articles related to the research. Secondly, I am planning to engage with stakeholders that may be interested in the subject matter more actively. To do so, I will i.e. engage with new media such as blogs and social networks, which allow me to reach policymakers and other stakeholders more easily. I nevertheless recognize that it is up to governments and international tax organizations to implement my recommendations. I hope that my research results will convince them to do so.