



International Tax Reform, Digitalization and Developing Economies

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**Multilateral soft law
OECD / UN**

Bilateral treaties

Domestic law



Lower-income country priorities

- Simpler to administer/enforce
- Greater share of tax base
- Bring digital service providers into the tax net

BEPS 2.0 drivers

- Reallocate some tax base to 'market countries'
- Prevent unilateral actions and disputes
- Internationalisation of US tax reform

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Four tests of the digitalisation outcomes



- 1** Do they make corporate tax easier to administer?
- 2** Do they give (proportionately) more taxing rights to developing countries?
- 3** Do they adapt rules to the challenges of digitalization?
- 4** Is there space for innovation?

Pillar One {
Amount A
Amount B
Amount C

Pillar Two {
Income Inclusion Rule
Tax on Base-Eroding Payments

Some issues from the perspective of developing countries

Pillar One

- Scope
- Allocation
- Dispute resolution

Pillar One {
Amount A
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Some issues from the perspective of developing countries

Pillar One

- Scope
- Allocation
- Dispute resolution

Pillar Two

- Rate
- Rule order
- Tax incentives

Cross-cutting

- Access to information
- Restrictions on innovation

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Thank you

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Additional Online Resources



Please find more resources at the
[Online Digital Tax Hub](#)