

TAX INCENTIVES FOR INVESTMENT: PROMISES AND PITFALLS

OECD VIRTUAL SEMINAR – Draft outline and agenda

20-22 October 2021 – 8:00-11:00 am (Paris time)

Description: Strengthening tax systems in developing countries is a key priority and a core part of the Sustainable Development Goals set at the UN in 2015. Tax revenues raised in fair and efficient ways are required to meet the global development challenges. Many countries offer tax incentives with the objective of promoting investment in particular types of activities, sectors and regions or increasing investment overall. How does this practice mesh with revenue mobilisation objectives, and how effective are such tax incentives in convincing investors?

Striking the right balance between an efficient, fair and attractive tax regime that can secure the necessary revenues for public spending is important – particularly for developing countries and their domestic resource mobilisation needs. It requires insight into the actual effectiveness of tax incentives for investment, how good design fosters effectiveness, and what are the revenue implications. This event helps build some of the required capacity.

Objectives: This virtual class will focus on the promises and pitfalls of tax incentives for investment. The event will introduce participants to key concepts related to the use and governance of investment tax incentives through a series of presentations based on case studies and practical examples. The event aims to provide guidance on the use of investment tax incentives and participants will have the chance to see practical examples of successful design of tax incentive policies, reporting and good governance.

The seminar will strengthen awareness among participants that domestic resource mobilisation is closely linked with the effective and efficient use of tax incentives

Target audience: The virtual class is designed for policymakers belonging to Ministries of Finance and other ministries with responsibility for foreign investments and taxation. Staff in tax administrations in charge of implementing and reporting tax incentives, and auditing international transactions may be interested as well.

Participants should be prepared to discuss questions related to the effective and efficient use of tax incentives in an open way

Format: The seminar will be led by tax incentives experts from the OECD Secretariat and national experts: Ms. Luisa Dressler, Ms. Vera Santomartino and Mr. Christian Valenduc.

Organisation of the Virtual class: This virtual class will take place on 20-22 of October 2021, during three hours each day (8:00-11:00 am, CET). A detailed schedule of the topics to be covered is included below.

Before the virtual class, participants are encouraged to study the joint IMF, OECD, UN and World Bank report on the Effective and Efficient Use of Tax Incentives for Investment and be prepared to comment on the usefulness of this report for their work as well as on topics on which they would like to know more.

Key Documents:

- The main report is available on:
<https://www.oecd.org/tax/tax-global/options-for-low-income-countries-effective-and-efficient-use-of-tax-incentives-for-investment.pdf>
- An additional technical background paper can be accessed on:
<https://www.oecd.org/tax/tax-global/background-document-options-for-low-income-countries-effective-and-efficient-use-of-tax-incentives-for-investment.pdf>

For all enquiries, please contact CTP.GlobalRelations@oecd.org

TAX INCENTIVES FOR INVESTMENT: PROMISES AND PITFALLS
 OECD VIRTUAL SEMINAR
 Preliminary schedule

20-22 October 2021 – 8:00-11:00 am (Paris time)

Experts:

Ms. Luisa Dressler: luisa.dressler@oecd.org

Ms. Vera Santomartino: vera.santomartino@mef.gov.it

Mr. Christian Valenduc: christian_valenduc@outlook.be

| Wednesday, 20 October 2021 | |
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| 8:00 – 9:30 | Session 1: Welcome - Opening - Introduction |
| | Opening remarks. Introduction of presenters and audience. Outline of the agenda. |
| | Session 2a: Tax policy and tax incentives for investment |
| | This session introduces the workshop and sets the scene for future discussions by outlining the concepts and common rationales for investment tax incentives. |
| | Session 2b. Insights from the OECD Investment Tax Incentives database |
| | This session presents insights on the use and governance of corporate tax incentives for investment in developing and emerging economies. |
| | Q&A Session |
| <i>9:30 – 9:45</i> | <i>Short break</i> |
| 9:45 – 11:00 | Session 3: The economics of tax incentives |
| | This session establishes a framework for the analysis of the benefits and costs of tax incentives. This includes assessing their economic impact, how they affect the tax system's ability to raise revenue and their distributional consequences. |
| | Q&A Session |

Thursday, 21 October 2021

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| 8:00 – 9:10 | Session 4a: Tax incentives for investment – an overview |
| | This session considers different designs of tax incentives with a focus on corporate income taxes, including tax exemptions, reduced corporate tax rates, depreciation, tax credits and allowances. The session also discusses empirical evidence on the impacts of taxation on investment and the effectiveness of tax incentives. |
| | Q&A Session |
| 9:10 – 9:25 | <i>Short break</i> |
| 9:25 – 11:00 | Session 4b: Tax incentives for investment – Special Economic Zones |
| | Continues from session 4a, with a focus on Special Economic Zones. |
| | Session 5: Tax incentives for Small and Medium Sized Enterprises (SMEs) |
| | This session will assess tax incentives for SMEs, ways to improve compliance of workers and small business with tax authorities, and discuss main issues for the taxation of SMEs in emerging economies and low-income countries |
| | Q&A Session |

Friday, 22 October 2021

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| 8:00 – 9:10 | Session 6: Tax policy for the climate |
| | This session discusses environmentally related tax policy that seeks to promote better environmental outcomes, or conversely, may be environmentally harmful. It discusses the role of incentives for green technologies, carbon pricing and fossil fuel subsidies. |
| | Session 7a: Tax incentive monitoring and reporting – an introduction |
| | This session considers how tax incentive reporting and analysis can improve transparency and accountability. It increases awareness and supports the evaluation of tax incentive policy, a necessary input for moving smart reform forward. |
| | Q&A Session |
| <i>9:10 – 9:25</i> | <i>Short break</i> |
| 9:25 – 10:35 | Session 7: Best practice examples tax incentive reporting |
| | This session provides best practice examples of tax expenditure reporting |
| | 7b: Monitoring and reporting of tax incentives in Italy 7c: The Belgian fossil fuel support inventory |
| | Q&A Session |
| <i>10:35 – 10:50</i> | <i>Wrap-up and closing of the virtual seminar</i> |
| <i>10:50 – 11:00</i> | <i>Evaluation</i> |

ANNEX 1: KSP REGISTRATION

Follow the 6 steps below to register for the KSP_{TA}:

1. Go to www.ksp-ta.org



2. Select the language of your choice



3. Click **“Don’t have an account? Click here to register”**

4. Complete all fields of the online form. Remember to register with your work email. In the field country/organization, select your own country.

A screenshot of the login page. It has a 'LOGIN' heading. Below it, there is a link that says 'Don't have an account? Click here to register.' with an arrow pointing to it. There are input fields for 'Email' and 'Password'. Below these fields, there is a checkbox for 'Remember my email' and a 'LOG IN' button. At the bottom, there is a link for 'forgot your password?'.A screenshot of the registration page titled 'Become Part Of The Tax Knowledge Community'. It has a 'REGISTER' heading. The form includes several fields: 'Email *' (with a callout 'Enter your work email address here'), 'Email confirmation *', 'First name *', 'Last name *', 'Country / Organization *' (with a callout 'Enter your own country'), 'Revenue authority', and 'Job title *'. There is also a checkbox for 'I agree to the terms and conditions of use.'.

5. Once you have filled and sent your registration form, you will receive an email to **confirm your email address**. Click to confirm. If you have not received it, check your **spam folder**. If you have not received it, contact info@ksp-ta.org
6. After you will receive another email to **create your password**. Click to create your password.

You can now access the KSPTA.