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Responsible Tax in Challenging Times

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KPMG International

Global Responsible Tax

What did we set out to achieve?

These are interesting times. We live in a messy and often contradictory world: one that is increasingly global and yet challenged by the rise of economic (tax) nationalism; one rife with inequality and still determined to address the needs of the developing world; and one that, in a future dominated by automation and AI, will have to ask deeper questions on what needs to be taxed. These are just some of the issues that the Responsible Tax community is seeking to address.

The Global Responsible Tax project launched in January 2017, following a successful 18-month pilot in the UK with CoVi. The genesis for both the UK and global programs lies in the firm belief that tax is the entry fee we pay for a civilized society, sitting at the heart of the social compact. It was also clear that, given the complexity surrounding core issues related to tax and tax advice, a different, a more informed and more nuanced debate was urgently needed between many different stakeholders.

Under the sponsorship of Jane McCormick, KPMG's Global Head of Tax, the Responsible Tax project has drawn together a community spanning global and local parliamentarians, policy leaders, business leaders, activists and campaigners, NGOs, academics and experts. It is a deliberately broad coalition, occupying a 'safe space' for honest and sometimes tough discussions on what are difficult issues, set against a backdrop where the status quo is not working and where highly polemicized and ill-informed argument frequently dominates. A set of Responsible Tax Principles help frame the wider conversations and set an important starting point.

The commitment is always to listen to and learn from multiple views outside the usual echo chambers, to escape corporate and campaigning platitudes and slogans, and to search for a new consensus. It is our ambition that this consensus will in time help shape and build a global movement, helping to inform all actors on the global stage.

The discussions continue to be captured and curated on the Responsible Tax global web platform, which we hope will grow in stature and reach as the project develops.

Where are we now?

Since launching the global program in Paris in January 2017, the Responsible Tax project has hosted milestone events. Our most recent roundtable took place in Amsterdam in September. Having previously scrutinized *Life Post-BEPS*, and *Responsible Tax and the Developing World*, the focus here was *Evasion vs. Avoidance* — a subject that continues to dominate both headlines and political discourse. Stopping evasion should be the purpose of everyone committed to a Responsible Tax future. But better definitions, new language and new behaviours — both from state and the private sector — are required. The challenge is not simply one of legislation, which too often has unintended consequences. A global consensus is needed on what is “fair” and “just” for citizens, commerce and society. This of course runs to the heart of the issues addressed by the Global Responsible Tax project.

Carl Dolan, Director, Transparency International EU made opening remarks followed by one discussion around the table. You can read the key points from the discussion [here](#) and watch interviews with some of the participants [here](#)

Building on some of the challenges and issues addressed at a recent global roundtable with Lord Rowan Williams, this December sees the launch of our first publication, *Responsible Tax and the Developing World* which includes 11 concise articles from expert contributors on some of the most critical challenges facing the Global North and South. Co-authors include — among others — Mary Baine (ATAF) on building tax capacity in Africa; Attiya Waris (Senior Lecturer at the Law School, University of Nairobi in Kenya, Visiting Lecturer, University of Rwanda) on resources for needs and rights; Lord Michael Hastings CBE (Global Head of Citizenship, KPMG) on meeting the UN's Sustainable Development Goals; and Pascal Saint-Amans (Director, Centre for Tax Policy and Administration, OECD) on bring together different voices to develop BEPs policy; Christine Allen, Christian Aid; Ewan Livingstone, ActionAid and Allen McLean, Shell. You can download the full report [here](#).

These are still early days. The Responsible Tax coalition is steadily increasing in scope and enjoys balanced representation. But it is not yet a movement. Some countries (and organizations) have embraced the concept with greater appetite than others. We are optimistic that scale and momentum will increase. For the future of a good and better society, deeper involvement and greater traction should be the shared ambition of us all.

Highlights from the past six months include...

- Co-creating a new framework for global responsible tax principles
- A high-level global and local roundtable series (with more to come) including events in London, Paris, Amsterdam, Denmark and South Africa. Discussion topics included BEPS, the developing world, transparency, European and global tax policy and tackling evasion and avoidance
- Working with Wilton Park, CoVi, the UK Department for International Development, OECD and The Joffe Charitable Trust to organize a two day conference on technology and capacity building
- Building and curating a wise community of 200+ members across the globe
- Opening remarks at various roundtables where given by key players such as Pascal Saint Amans, Director, Centre for Tax Policy & Administration, OECD; Lord Rowan Williams, former Archbishop of Canterbury and Master Magdalene College; Janine Juggins, SVP Global Tax, Unilever; Girish Menon, CEO, Action Aid UK; Mary Baine (Head of International Tax and Technical Assistance, African Tax Administration Forum (ATAF); Maya Forstater, visiting fellow at the Centre for Global Development — among others
- Our content platform <https://responsibletax.kpmg.com/home> went live in February. Since then we've published 30 articles and produced 13 films with 19 contributors
- Our first publication *Responsible Tax and the Developing World: Is tax a fundamental human right?* was published this December. A collection of 11 short and insightful articles setting out some clear ideas on the way ahead for tax and the developing world, covering a range of key issues on the subject. You can read the report [here](#)

What next?

The tectonic plates of the tax landscape looks to be shifting even more as we head into 2018. Significant US tax reform is likely to be enacted and there are calls for changes in long standing international tax theory, driven especially by the impact of digitalization. We will be asking if these trends are creating a tax driven trade war and protectionism and what a responsible tax approach means for competition between countries and for multinationals caught in the middle trying to prevent double taxation.

In a world increasingly reliant on automation and robotics, we will be asking, what — or who — we should be taxing? With this investigation, we will very much be looking to the future, asking questions such as: *is the current world of tax best equipped to face the future world of work and employment?*

Over the next few months, we will continue to work with you, the community, to help determine our next priorities in addition to the above — issues perhaps of transparency; the global/national architecture of tax; and/or next steps in country-by-country reporting. Your feedback and contributions are what's really important to us.

As the global ResponsibleTax program continues to evolve, we aim to become more nimble and responsive around your ideas on blogs and social media, hold more events across the globe on-and offline, and increase our collective global media presence. However, to become the movement to which we aspire — with the ResponsibleTax project starting to have a life of its own and not just driven by the center — we need your continued and valued support, engagement and participation in the debate — at events and on our website. Let's work together to change the conversation. Please join us in helping make it happen.

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