



TAX – 2020

Tax Simplification and Harmonisation



*Reflections on a Tax Initiative of the
World Council for Law Firms and Justice e.V.*

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The artillery of ideas is a state paper of the mind that carries all the more interest when its capital appears to be uncertain...

Concept Sketch

Following the successful WCLF conference on international tax law, which was held under the title "Tax and Intellectual Property" on 22.3.2012 in Frankfurt, the existing club and its environment the tax expertise existing in the organisation and its environment is to be pooled in a pioneering initiative. Objective of the campaign is a simplification of the German and the further harmonisation of international tax law.

Many existing associations such as the *Deutsche Steuerjuristische Gesellschaft* (German Tax Law Society), the *Fachinstitut für Wirtschaftsprüfer* (Professional Institute of Certified Tax Advisors), the *Bundessteuerberaterkammer* (Federal Chamber of Tax Consultants), the Tax Forum Berlin e.V. or the International Fiscal Association have focused their attention on a variety of national and international tax law issues. The simplification of the German tax law, which is considered the most complicated in the world, is on the agenda of quite a number of organizations. The leading Taking the lead so far in this respect is the *Initiative zur Erneuerung des Steuerrechts e.V.* (Initiative for the Renewal of Tax Law).

However, the WCLF can occupy a previously vacant position in the existing scenario. As an international and cross-industry organization of university teachers and practitioners, it is uniquely qualified to take up the various threads of discussion and to bring new ideas into the discourse. In particular, the WCLF can reflect the necessary connection between national simplification and supranational harmonisation both in structure and content. Due to its interdisciplinary nature, it can rise above the diverse interests of the professions and has the ability to talk freely about barriers endemic to the system impeding the realisation of ideas on tax law simplification discussed already for decades.

The existing technical expertise in WCLF can be deepened internally through discussion groups within the tax law expert groups, national and international expert workshops. The professional public could be approached with webinars, discussion documents and legal publications. In addition, appropriate types of events according to the objectives of the association should make the political and social dimension of the issues visible and thus raise the awareness of the wider public.

Here, the participation of representatives of existing initiatives on the one hand and the integration of leading researchers and their findings on tax law, corporate taxation and the research on tax effects on the other hand is of central importance. This applies equally to the

research results of German and international universities as to test results and OECD guidelines, which were already partially translated into concrete harmonisation recommendations.

Also essential is the dialogue with opinion leaders and decision makers. Therefore, the involvement of qualified business journalists, the legal press and committed advocates of the economy is particularly important. Moreover, in the long run a determined approach of leading minds in the (fiscal) policy and financial management ensure that the views of the WCLF are not only heard, but will be requested in the form of opinions.

Subject Directory

Ultimately, it is of course the members of the Initiative who decide for themselves which issues and activities they want to promote. Therefore, the following list is above all meant as proposal and impulse:

I. Global Developments

Harmonisation efforts in Europe and the world: the way to a supranational tax law. This includes inter alia issues of ***public international law***, in particular with respect to income tax Law, VAT and indirect taxation, ***double taxation agreements*** as harmonisation instruments and the international ***exchange of tax information***.

Globalisation of tax competition – Healthy competition between states or a “race to the bottom”?

Is the ***financial market transaction tax*** a sensible measure to shore up the global financial system?

II. International Tax Law / Germany and the World

Double taxation agreements Doppelbesteuerungsabkommen in a balancing act between legitimate tax planning and preventing the abuse of tax rules

Tax evasion via foreign countries:

- Offshore constructions / tax havens
- Do the authorities’ methods of tracing tax evaders cross the line of legality (professional secrecy, data CDs)?
- More effective control and combating of money laundering

Cross-border exchange of information: Information requirements and enforcement assistance in Europe and worldwide (recent example: FATCA)

III. German Tax Law

Does Germany need a **major tax reform** (uniform Federal Tax Code, restoration of the tax system)?

Which **harmonisation barriers** are embedded in German tax law?

Which measures support effectively the **promotion of research and development** in Germany?

Which **tax incentives for investments** are offered in Germany, what additional measures might be helpful?

Does German corporate tax law promote or impede **meaningful and reliable tax planning**?

Which **tax loopholes** should be closed in Germany?

Distribution of tax revenues between Federal, State and local governments

How can „cold“ **tax progression** be addressed?

Organisation and Further Steps

The range of activities for a targeted implementation can not be met solely by the existing tax expert group of WCLF. Therefore, the formation of a first informal coordination team is planned that takes care of the thematic definition and plans the staffing structure as well as the further organisation of the initiative TAX 2020.

This team would have to accomplish the task of successively activating the experts listed below and other appropriate persons for the cause. At the same time structures should be set up to plan and implement the first steps of work. One of the first activities of the team would be the establishment of a back-office structure and the recruitment of sponsors.

Regarding public relations, planning and organisation of related events WCLF can contribute comprehensive support. Also the set up of a time schedule and a discussion forum on the WCLF website is intended.

Composition

The persons listed below are part of the inner circle of WCLF activists, some more informal contacts already existing and some of people who will be interested and won for the initiative. The persons who have already indicated their willingness to cooperate are marked with an asterisk.

Patron

Prof. Juliane Kokott JD, JDS, LL.M
Advocate General at the Court of Justice of the European Union (pending)

Chairman

Prof. Dr. Dr. Cristián A. Gárate, JD, LL.M *

Legal Experts from law firms, accountancy firms and enterprises

RA StB Dr. Andreas Striegel LL.M *
RA StB Dr. Axel Schilder c/o King&Spalding as co-moderator *
StB Dr. Wolf-Dieter Mangold FBStR c / o PwC as co-moderator *

Prof. Dr. Patrick Sinewe StB c/o Bird&Bird
RAin Dr. Christine Varga c/o Rödl *
RA, StB Dr. Ruprecht von Uckermann LL.M c/o E&Y *
StB Dr. A. Wittkowski c/o Deloitte&Touche *
StB Christoph Kromer c/o Luther
RA, StB R. Hummel LL.M c/o Siemens AG *
StB M. Gronemann c/o Volkswagen AG

Members coming from tax courts and tax authorities

Judge Dr. Christian Levedag LL.M, Federal Fiscal Court, Munich *
Dr. Michael Jung M.A c / o Federal Financial Management *
MD Michael Sell, Head of Tax Department, Ministry of Finance

Advisories on German tax law

Prof. Dr. Jörg-Andreas Weber LL.M, StB Offenburg
Prof. Dr. Winfried Schwarzmann WP, München

Advisories on supranational tax law

Germany

Prof. Dr. Till Zech LL.M, Brunswick *

Prof. Dr. Johanna Hey, Cologne

Prof. Dr. Christoph Spengel, Mannheim

Europe

Prof. Dr. F. Alfredo Garcia Prats, Valencia *

Prof. Dr. Dr. h.c Michael Lang LL.M, Vienna

Prof. Dr. Marco Mosconi, Milano *

USA

Prof. Dan Berman JD, BA, Boston

Prof. Dr. Bradley T. Borden LL.M, MBA, BBA, New York

Canada

Prof. Vern Krishna, LL.M, LL.B, MBA, BCom, Ottawa

Africa

Prof. Dr. R. Franszen LL.B., BCL, Pretoria

Asia

Prof. Yixin Liao LL.M, LL.B, Shanghai *

Prof. Yuichiro Tsuji LL.M, Osaka *

Prof. Dr. Sarah E. Hilmer PhD, LL.M, MLLP, Hong Kong *

Pacific

Prof. Richard Krever LL.M, Melbourne

South and Central America

Prof. Dr. Luis Eduardo Schoueri BAs, Rio de Janeiro *

Prof. Iure Pontes Vieira Ph.D, LL.M, LL.B, Sao Paulo *

Organisations and Associations to be Included

Institut der Steuerberater e.V.

DStJG

Berliner Steuergespräche e.V.

Initiative zur Erneuerung des Steuerrechts e.V.

IDW

IFA

MPG

DIHKT

OECD

Bundesfinanzakademie

DIW

BDI / BDA

Media Coverage

C.H Beck (IStR), Springer Gabler (Tax), Haufe Lexware *

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