THE (UN)KNOWN ASPECTS
OF CORPORATE TAX COLLECTION

International Conference
Kaiserstein Palace, Prague, 2 November 2016

Objectives of the conference

- Introduce the European and international aspects of efficient tax collection in the Czech Republic
  The cases of LuxLeaks, Panama Papers and the recent Apple back tax assessment in Ireland show that tax collection is no longer a strictly national agenda. Specific taxation rules in certain states (including in the Czech Republic) actually limit the ability of fiscal authorities to collect income taxes from the economic activities of large international corporations in their territories. Hence, it is vital to ensure that international tax cooperation fosters the adoption of rules that will enable collecting tax on income where the income is generated, in addition to contributing towards eradicating money laundering and tax fraud.

- Set the topic of taxation in a broader social and international political context
  The importance of taxes is not just fiscal. They represent funds used to pay for a variety of public services and assets that not only contribute towards the seamless functioning of the society but also foster social cohesion. If the latter weakens it can severely affect economic development and political stability. The vital importance of tax collection for the proper functioning of society can be seen in the example of emerging countries, which struggle with extreme poverty as well as with extensive domestic and international tax evasion. Public opinion polls in OECD countries show that failure to tackle tax evasion (including tax avoidance) not only weakens the tax discipline of other taxpayers but also undermines their confidence in rules and their makers. Hence, good and fair tax collection is also necessary to preserve the social contract.

- Identify specific opportunities for the Czech Republic to take an active approach
  The current Government of the Czech Republic identified efficient tax collection as its priority, although to date it has primarily focused on the domestic dimension of this agenda. On a general level, it declares support to international reforms of taxation intended to reduce unfair tax practices. When it comes to specific OECD or EU proposals, however, the Czech Republic’s position is not always clear. The Czech discourse on tax policy gives almost no consideration to the global and development aspects, i.e. the importance of good tax collection for financing global challenges and for the stability of emerging countries. This is one of the reasons why it is crucial for the Czech political representatives to define the long-term objectives that the Czech Republic pursues when discussing international tax reforms and the methods for their practical application in the Czech environment.

- Present the achievements of Glopolis and/or other tax experts/institutions
  The findings of a study into the impact of tax evasion on the Czech Republic will be presented at the conference. The results of a Median analysis prepared for Glopolis will illustrate how Czechs perceive tax havens and tax evasion. Speakers include experts from the Faculty of Business and Economics of Mendel University in Brno who will show the potential effect of cooperation in corporate taxation on Czech income from taxes, and international authors of An Economy For the 1% report on inequality presented by Oxfam at the World Economic Forum in Davos.
Agenda of the conference

(Current as of 29 September 2016)

Registration 9.00 am

9.30 am Welcome address and introduction

Ondřej Kopečný, Deputy Director, Glopolis

9.45–11.15 am
Panel 1: Impact of tax evasion – there is more than money at stake

One of the crucial questions in the debate on regulating tax haven jurisdictions is the amounts that governments lose to tax evasion. What are their current estimates for developed countries, including the Czech Republic, and for emerging countries? What difficulties does the calculation of the losses entail? Why cannot we restrict the impact of tax evasion to fiscal indicators only?

- Petr Janský, economist, Institute of Economic Studies of the Faculty of Social Sciences, Charles University and CERGE EI: Impact of Income Transfer on the Czech Republic
- Daniel Prokop, sociologist, Median: Social Impact of Tax Evasion
- Oliver Pearce, Policy Manager (tax and inequality), Oxfam GB: Taxes and Increasing Inequalities
- Chinedu Bassey, Program Officer, Civil Society Legislative Advocacy Centre, Nigeria: Tax Havens and Their Impact on Global Development

11.15–11.30 am
Coffee break

11.30 am–1.00 pm
Panel 2: The solution – a systematic approach or plugging the holes?

The work on measures intended to improve tax collection from corporations and individuals in the countries where their actual economic activity is concentrated has intensified greatly in recent years. OECD came up with a list of measures; the European Commission is working on several “packages” based on those. The proposals focus primarily on improving the exchange of information on company owners and account data and on closing the biggest gaps used for diverting income. The great debate on harmonising tax rules is nearing slowly. Are the existing international measures advanced enough? What are the most efficient tools for preventing diverted income? Will better information exchange suffice, or is a greater degree of harmonising tax rules necessary? How serious a problem is the fact that solutions are not proposed with the involvement of the majority of countries of the world and that the representatives of many of the poorest countries are absent from the discussions?

- Ondřej Vondráček, ownership structure transparency expert: Current Proposals on EU Level
- Aurore Chardonnet, EU Policy Advisor, Oxfam EU Advocacy Office: Basic Steps to Reduce Tax Evasion
- Danuše Nerudová, Head of the Institute of Accounting and Taxes, Faculty of Business and Economics, Mendel University in Brno: Effects of Cooperation in Corporate Taxes on the Tax Income of the Czech Republic
1.00–2.00 pm
Lunch break

2.00–3.30 pm
Panel 3: What does the Czech Republic have to do to become a true leader in international tax agenda?

The Government of the Czech Republic declares its determination to improve tax collection including income tax and says that it wants to contribute to combating tax havens. As part of its development policy, it encourages global dialogue on tax reforms intended to help to mobilise national resources (taxes) in emerging countries. How successful has it been in delivering on these undertakings and transferring the resulting proposals and recommendations to Czech practice? Is the Czech Republic a leader in the initiatives trying to reduce room for aggressive tax optimisation, or is it just waiting to see what other countries will do? Where do the representatives of relevant Czech institutions see an opportunity for a more active approach on both the EU and global levels?

- **Glopolis: A Brief Analysis of the Czech Republic’s Position**
- **Aleš Chmelař, Chief Economic Analyst, European Affairs Section, Office of the Government of the Czech Republic**
- **Luděk Niedermayer, Member of European Parliament, European People’s Party**
- **Milena Hrdinková, Director of Minister’s Office Department, Ministry of Finance of the Czech Republic**
- **A representative of the Chamber of Deputies of the Czech Parliament (TBC)**

3.30
Summary and conclusion

3.40
Glass of wine, informal discussion

4.30
End of the event

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**Venue:** Kaiserstein Palace, Malostranské náměstí 37/23, 110 00 Prague

**Registration:** Ingrid Dečmanová, Glopolis 774 530 377, decmanova@glopolis.org

The event is co-funded by the European Union, Czech Development Agency and the Ministry of Foreign Affairs. The event is part of FairTax, which is a cross-disciplinary four year H2020 EU project aiming to produce recommendations on how fair and sustainable taxation and social policy reforms can increase the economic stability of EU member states, promoting economic equality and security, enhancing coordination and harmonisation of tax, social inclusion, environmental, legitimacy, and compliance measures, support deepening of the European Monetary Union, and expanding the EU’s own resource revenue bases.

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