



G20 2022 Tax Symposium Tax and Development

Bali, 14 July 2022 – The Ministry of Finance was hosting the G20 Ministerial Tax Symposium in Nusa Dua, Bali. This symposium was held in a hybrid format. It intended to bring together ministerial-level policy makers to discuss international tax challenges and the role of the G20 in supporting taxation and development in developing countries.

The meeting was attended by Ministers and delegates from member countries of the G20/OECD Inclusion Framework, as well as international organizations. The tax symposium is expected to encourage increased inclusion in the international tax system and broaden the consensus to assist developing countries in maximizing the mobilization of domestic resources.

On this occasion, the Minister of Finance of Indonesia emphasized the importance of developing countries' participation in designing international tax standards and implementing Base Erosion and Profit Shifting (BEPS) actions effectively so that they can take real benefits from the OECD initiative.

The COVID-19 pandemic has narrowed the fiscal space for developing countries and increased the urgency of international tax rules that can generate sustainable tax revenues to finance development. Therefore, the Minister of Finance encouraged a greater role for the G20 to support developing countries in implementing international tax standards and to mobilize domestic resources. The Minister also called for stronger collaboration and cooperation among G20/OECD member countries for an inclusive and sustainable recovery.

The first session of the symposium discussed "The role of the G20 in supporting developing countries in the G20/OECD BEPS Inclusive Framework and the Global Forum on Transparency and Exchange of Information for Tax Purposes." The Secretary General of the OECD moderated the roundtable of Ministers of Finance of India, Italy and UK, with a focus on the role of the G20 in supporting developing countries to benefit from the BEPS action and tax transparency agenda. Several priorities were identified to support the implementation of international tax standards, including measures for BEPS, Exchange of Information (EOI), and the two-pillar International Tax Package in developing countries.

The second session gathered the Ministers of Finance of Japan, South Africa, Singapore, and Jamaica, moderated by the President of the Asian Development Bank. Future tax policy challenges, particularly in terms of tax incentives and domestic resource mobilization, were on the agenda. One of the main issues on the table was the role of the tax system in financing development, which is a top priority for developing countries. Developing countries could explore ways to increase domestic resources by ensuring a fairer tax burden for global companies, including by addressing tax avoidance, and reforming ineffective tax incentives. The improvement of tax administration to promote tax certainty and address tax avoidance was also discussed.

Head of the Fiscal Policy Agency, Febrio Kacaribu, who delivered a closing remarks at the closing of the seminar, explained several lessons that could be drawn from the two sessions. First, identifying areas that are the main priority in supporting the developing

countries in the implementation of international tax standards, including the BEPS measures, Exchange of Information, and the two-pillar International Tax Package, as well as improvements in tax administration which also affect the effectiveness of the implementation of international taxation standards. Second, with regards to the implementation of Pillar Two, it is necessary to address issues related to tax incentives and domestic resources mobilization so that all countries could fairly benefit from the improvement of the tax performance.

The discussions in this symposium contributed inputs for future initiatives in international taxation standards that are more inclusive, thus developing countries can also obtain optimal benefits from the global cooperation.

Those relevant views would also become inputs for the G20/OECD publication on Roadmap for developing countries and international taxation standards.

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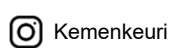
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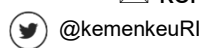
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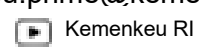
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