



International Fiscal Association

**IFA 2021 Virtual Event
29 November – 1 December 2021**

OUTLINE

**The Global Tax Agreement: the Two-Pillar Solution
IFA Regions: the Inclusive Framework
Asia Pacific**

Asia Pacific | Tuesday, 30 November 2021 | 11.00 – 13.00

Introduction

Miranda Stewart (Vice Chair PSC)

Chair

Mukesh Butani (India)

Panel members

Huey Min Chia-Tern (Singapore)

Takeshi Fujitani (Japan)

Sunita Juma (UAE)

Na Li (China PRC)

Rasmi Ranjan Das (India)

Niv Tadmor (Australia)

Secretary

Seema Kejriwal (India)



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The panel aims to offer an overview of the current thinking in the Asia-Pacific region around the status of the Two-Pillar Solutions, potential concerns for implementation of the Two-Pillar Solution, together and a debate around the outlook of digital businesses in the Asia-Pacific region.

The panel will begin with a presentation on the current status where the moderator will give a brief overview on what has changed between the July and October 2021 statement of the Inclusive Framework. The topics covered in the introduction will include notable economies and low tax jurisdictions who are not yet part of the Two-Pillar Solution and the potential impact of not having these countries on board. Additionally, the introduction will cover scope, nexus and quantum for Pillar 1 and its implications for the Asia Pacific region. Under Pillar 2, the introduction will cover the proposed exclusion from the Undertaxed Payment Rule (UTPR), formulaic substance carveouts for UTPR and GloBE exclusions. Removal of DST and the elective binding dispute resolution mechanism will also be discussed.

Representatives from Australia, China, India, Japan, Singapore, and the UAE will offer respective country perspectives on Pillar 1 and Pillar 2 as well as perspectives from business, government and independent academia on the challenges and issues. This will include discussions around revenue sourcing rules, safe harbour rates, mechanism for tax certainty, adoption of GloBE and Subject to Tax Rules (STTR), and broader policy issues such as sufficient governance, tax office capacity in countries like UAE and lack of jurisprudence.

This will be followed by a panel discussion where panellists will discuss issues which are still open but are critical in arriving at an agreement from Asia Pacific perspective such as capping Amount A to Amount B, relieving entities for Pillar 1, scope for baseline marketing and distribution activities, etc. After this, the panellists will discuss issues specific to Pillar 1 and Pillar 2 including from a professional and advisory perspective, and broader policy level issues such as sanctity of political agreement, need for a formal exit mechanism, time lag between political agreement and ratification, future interpretation of tax treaties in light of DTAAAs, MLI, MLC of Pillar 1 and MLI of Pillar 2.

In concluding, the panel will debate if Digital Services Tax (DST) prohibition will sought to be eroded by DST like taxes or investment incentives outside of tax systems.