

GLOBAL MINIMUM TAX AND DEVELOPING COUNTRIES: What Next?

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Vitor Gaspar's Opening Remarks:

Thank you so much Sébastien.

Good morning, good afternoon or good evening, according to your geographical location. It is my privilege to deliver opening remarks to this IMF/World Bank joint Spring Meetings Conference on International Taxation.

As Sébastien has already indicated, this is a regular feature of our calendar, and we believe it's a very important event for the relation between academics, policy researchers and policy makers in the area of international taxation. The topic, this time is "Global Minimum Corporate Income Tax and Developing Countries What next?"

I'm very grateful for the partnership with the World Bank in putting together such important initiative and I'm personally very pleased with my excellent working relation with Marcello.

The objective of the global minimum corporate income tax initiative is to foster fair and efficient taxation and to avoid harmful tax competition.

The fiscal monitor that we put out 10 days ago, Chapter 2 covers international cooperation in the area of tax, and it covers coordination and cooperation in the area of income taxation and it also covers carbon taxation. In the fiscal monitor we make one point that I believe is crucially important. We basically push for a pragmatic, concrete step towards global cooperation, and we believe that this focused eyes-on-the-ball type of approach is the best guarantee that we can have against fragmentation which is in today's world at clear and present danger.

The way to avoid fragmentation is to show that globalization works and it delivers for the countries that engage in such cooperation. This is, in my mind, a very important point and it leads us naturally to the emphasis of this particular session, which is what is in it for developing countries, globalization can only work if it delivers for all participants, I think that that is absolutely crucial.

Now, on substance, what we are going to find today is that the perspective of developing countries is crucial for the success of a global approach.

But what's a need for developing countries depends on a number of very specific and hard questions in that it depends on the country's own policy response in the new environment, the response of other countries in the same environment and the behavioral responses of taxpayers, which, in this context are very sophisticated multinational companies.

So now that I have asked some hard questions, let me pass on to my friend Marcelo who may or may not want to present some answers. Marcello, to you.