Tax Strategy Group
Corporation Tax

Introduction

1. Ireland's corporation tax policy has three key objectives – i) creating jobs, ii) encouraging economic growth and iii) raising revenue to fund public services. It seeks to achieve these objectives by attracting foreign direct investment (FDI) and encouraging domestic enterprise through a competitive and growth-friendly regime.

2. The three key elements of the corporation tax policy can be summarised as:
   - Rate – the 12.5% rate is akin to a brand and important for attracting FDI
   - Regime – competitiveness also relies on the broader regime which includes a small number of targeted incentives, such as the R&D tax credit, a low administrative burden and an effective system of double taxation relief.
   - Reputation – as the international tax environment is changing rapidly, maintaining a good reputation has become increasingly important for the sustainability of corporation tax policy and companies increasingly have regard to these issues when making investment decisions.

3. A fundamental review of Ireland's corporation tax policy was undertaken in 2014 and the results were published on Budget Day in an *Economic Impact Assessment of Ireland's Corporation Tax Policy.*

4. The findings from the research informed a new medium-term strategy for corporation tax policy which was also set out on Budget Day in *A Road Map for Ireland's Tax Competitiveness*[1].

5. This paper recaps on the above framework for corporation tax policy, briefly outlines some more recent developments in the area and sets out the main policy considerations for Budget 2016 and Finance Bill 2015.

2014 Economic Impact Assessment of Ireland's Corporation Tax Policy

6. This evaluation was essentially a stock-take of the rationale for, and economic impact of, Ireland's corporation tax policy and comprised seven separate reports[2].

   i. Historical Development and International Context of the Irish Corporate Tax System (EY for Department of Finance)
   ii. Economic Impact of the Foreign-Owned sector in Ireland (Department of Finance)
   iii. Literature Review of the Economic Effects of Corporation Tax (Department of Finance)
   iv. The Importance of Corporation Tax on the Location Decisions of Multinational Firms (ESRI for Department of Finance)
   v. Corporation Tax – A Note on the Context and Concentration of Payments (Revenue Commissioners for Department of Finance)

[1] http://www.budget.gov.ie/Budgets/2015/Documents/Competing_Changing_World_Tax_Road_Map_finalrev.pdf
[2] All seven reports are available at http://www.budget.gov.ie/Budgets/2015/2015.aspx

vi. Ireland's Effective Corporation Tax Rate (Department of Finance and Seamus Coffey UCC)
vii. OECD Base Erosion and Profit Shifting Project in an Irish Context (Department of Finance)

7. The review of the economic literature on corporation tax identified that:
    - Corporate taxes lower economic growth by reducing the return for firms and people who invest in capital and innovative activity such as research and development.

    - Research on the incidence of corporation tax finds that much of it is borne by labour - empirical estimates suggest that a 1 euro increase in corporation tax reduces wages by between 44 and 77 cent.

    - Research by the OECD suggests that a 1 per cent rise in corporation tax results in a fall in foreign direct investment of 3.7 per cent.

8. The research confirmed that foreign direct investment makes a signification contribution to the Irish economy:
    - Foreign-owned multinational companies (MNCs) directly employed 152,000 people in 2013 which is 8% of total employment and 22% of employment in the business economy (which excludes public sector and agri-sector).

    - The most recent available data showed that a small number of sectors dominated by foreign-owned multinational enterprises (MNEs) accounted for 25% of economy wide gross value added (GVA).

    - Corporation tax receipts in 2014 were €4.6bn – 11% of total tax revenue – this is in line with the EU average (both as a percentage of total tax, and as a percentage of GDP).

    - Employment and corporation tax receipts[3] from the foreign-owned sector held up during the recession which was particularly important for the economy at that time.

    - The foreign-owned sector exhibits higher productivity levels which are reflected in higher wage levels than domestic firms. It also performs relatively strongly in terms of research and development and innovation.

    - However, the research also found that while there is some evidence of spill-over benefits to domestic firms, foreign-dominated sectors have lower output and employment multipliers relative to domestically dominated sectors, confirming the importance of the indigenous sector for employment growth.

9. Empirical research performed by the Economic and Social Research Institute (ESRI) found that increasing the rate of corporation tax would impact negatively on FDI. As a policy experiment, they simulated how FDI flows into Ireland would have changed if Ireland had an alternative corporation tax rate over the period 2004-2012 and found that:

[3] While overall receipts declined from a peak of €6.7bn in 2007 this primarily reflected a fall in revenue from the domestic banks rather that the FDI sector

- If the Irish tax rate had been 15 per cent over the period, the number of new foreign affiliates entering the country would have been 22 per cent lower.

- If the tax rate had been 22.5 per cent (the sample average over the period), the number of new foreign affiliates would have been 50 per cent lower.

10. Analysis of company taxpayer data by the Revenue Commissioners identified that there is a high level of concentration in corporation tax revenue in Ireland, relying on a relatively small cohort of large taxpayers.

    - Corporation Tax (CT) is the fourth largest tax in Ireland in terms of receipts, with over €4.2 billion collected annually in the last two full tax years from total tax revenues of around €38 billion in both 2012 and 2013.

    - CT receipts have increased in recent years from a low of €3.5 billion in 2011 to €4.6bn in 2014 in line with the general economic recovery.

    - The statutory CT rates in Ireland are low when compared to the average rates across the European Union (EU). However, CT receipts in Ireland as shares of both total tax revenue and GDP are reasonably close on the EU average – CT as a percentage of total tax in Ireland is just above the EU average.

    - The top five sectors account for over 68 per cent of total CT paid in the period. Financial & insurance activities, the manufacture of pharmaceuticals and information & communications technology services are the largest contributing sectors to CT in Ireland over the period 2008 to 2012..

    - A relatively small number of large multinational companies account for a significant proportion of total CT receipts. The top ten companies accountfor 23 per cent of CT paid from 2008 to 2012, the top twenty companies for 32 per cent and the top fifty for 46 per cent. The top ten corporate groups account for 34 per cent of total CT, the top twenty corporate groups for 43 per cent and the top fifty for 57 per cent.

    - Foreign owned multinational companies account for three quarters of CT paid between 2008 and 2012. In 2012 alone, foreign multinationals pay over 79 per cent of CT.

A Road Map for Ireland's Tax Competitiveness

11. These findings underpinned the decision to introduce a comprehensive package of tax measures that were announced on Budget Day in the Road Map for Ireland's Tax Competitiveness.

12. The full list of measures are set out in the appendix to the paper – the main measures can be summarised as follows:
    - Rate: Continued commitment to maintaining the 12.5% rate
    - Regime:
        - Enhancement to R&D tax credit – 2003 base year removed
        - Enhancements to the Intangible Asset Regime (section 291A) – the 80% cap on the aggregate amount of allowances and related interest expense that may be

    claimed was removed and the definition of specified intangible assets was amended to explicitly include customer lists.
  - Commitment to introduce a new preferential rate of corporation tax for income from certain types of intellectual property, known as the Knowledge Development Box, in Finance Bill 2015
  - Enhancements to income tax offering, including SARP
  - Continued expansion of the tax treaty network
  - Increased resources for Revenue's 'competent authority' function so that they can assist multinational taxpayers in transfer pricing disputes with other jurisdictions
- Reputation: Amendments to the company tax residence rules, to end the so-called 'Double Irish' tax structure were introduced for new companies from 1 January 2015 and for existing companies from 1 January 2021.

13. The Road Map is a medium-term strategy to provide the foundations for Ireland to maintain and expand as a thriving hub for FDI in a changing international tax environment and it was broadly welcomed by the business community.

14. In terms of corporation tax policy, the main focus of the forthcoming Budget and Finance Bill is the implementation of the new Knowledge Development Box.

R&D Tax Credit (section 766 TCA 1997)

15. As part of the policy to encourage innovation, Ireland introduced a Research and Development (R&D) Tax Credit in 2004. The incentive now provides for a tax credit of 25% of qualifying R&D expenditure.

16. A 2013 review found that the R&D tax credit is 'best in class' internationally and has been successful in achieving its objectives - supporting approximately 1400 companies that employ circa. 150,000 people.

17. The cost of the R&D tax credit has increased considerably since its introduction from €82 million in 2004 to €421 million in 2013. This most recent cost does not take include the estimated additional €50m cost from the removal of the base year which was introduced in Finance Act 2014 and which will impact tax receipts from 2014 onward.

Intangible Asset Regime (section 291A TCA 1997)

18. An intangible asset regime was introduced in 2009 which provides for capital allowances for expenditure incurred by companies on the provision of specified intangible assets for the purposes of a trade. While capital allowances can generally be considered part of the benchmark tax system, rather than a tax expenditure *per se*, it is worth highlighting that the total value of relief given under section 291A amounted to €315 million in 2013.

19. Alongside the R&D tax credit, section 291A is considered an important element of Ireland's attractiveness as a location for the development of intellectual property. It was also significantly enhanced in Finance Bill 2015 as set out above.

International Tax Environment

20. Over the last number of years, the ability of some multinational companies to pay very low effective rates of tax globally has become a major public policy concern from an equity perspective.

21. The G20 mandated the OECD to identify actions to combat Base Erosion and Profit Shifting (BEPS) with the aim of addressing this issue by preventing MNCs from exploiting mismatches in the rules of different countries. Ireland has been very supportive of the BEPS project and believes it is important that multinational companies pay their fair share. The EU is also engaging in initiatives to achieve the same goal.

22. In the context of this changing international tax environment and mindful of the importance of competitiveness, the Department ran a public consultation in 2014 - *The OECD Base Erosion and Profit Shifting (BEPS) Project in an Irish Context* - to consider options for how Ireland's tax system could respond to a changing international tax environment.

23. One of the key conclusions was that the OECD BEPS project presents a significant opportunity for Ireland as its main aim is to align taxing rights with substance – i.e. profits should be taxed in the jurisdiction in which they arise. One of the main goals is to prevent MNCs from locating their valuable intellectual property (IP) assets (which give rise to significant profits) in zero-tax jurisdictions where they have no real substance.

24. In a context where MNCs may respond by seeking to co-locate their valuable IP assets in jurisdictions where they have real economic substance, Ireland has an opportunity to position itself as one of the locations of choice for multinationals in respect of their intellectual property.

25. The input received as part of the public consultation was reflected in a number of decisions taken in Budget 2015, and also fed into Irish engagement in the OECD Base Erosion and Profit Shifting (BEPS) project. A separate TSG paper this year provides an update on the outcome of the OECD BEPS project and considers the implementation of the project in terms of Irish corporate tax policy.

26. Overall, the combined findings of the research and the public consultation in relation to each of the elements of corporation tax policy can be summarised as follows:

    - Rate: 12.5% rate remains very important – if Ireland were to increase the rate it would reduce FDI flows into the country
    - Regime: Ireland needs to maintain a competitive corporation tax offering to attract knowledge-based investment, related to research and development and intellectual property
    - Reputation: In order to maintain strong relationships with our international partners, it is important that Ireland's rules are aligned with international standards

Recent Developments

"Luxleaks"

27. On foot of an investigation by the International Consortium of Investigative Journalists, significant volume of information about tax planning by a number of companies involving Luxembourg was released into the public domain in November 2014.

    The Revenue Commissioners are currently making inquiries in regard to this matter to ascertain what aspects, if any, may require further action.

Tax Competition: Patent Boxes

28. On foot of an agreement between Germany and the UK in November 2014, the OECD has now finalised the new rules governing preferential IP regimes. The OECD found that the majority of existing ‘patent box’ regimes were a form of harmful tax practice and must be abolished for new entrants by June 2016 and for existing beneficiaries by 2021. The newly agreed rules, which will be published along with the rest of the BEPS Actions in October 2015, govern the parameters of the design of the Knowledge Development Box.

UK Developments

29. The UK introduced a ‘Diverted Profits Tax’ in April 2015 targeting multinational companies that sell into the UK market using a structure designed to avoid the creation of a taxable presence in the UK. The Australian government are said to considering similar measures and these initiatives provide further evidence of the prevailing international attitude towards aggressive tax-planning by multinational companies.

30. The UK subsequently announced in July a further reduction it its corporation tax rate which will fall to 18% by 2020. Northern Ireland has also been considering the introduction of a reduced rate of corporation tax. These initiatives show that international tax competition for attracting FDI remains aggressive.

US Developments

31. In relation to the US, which is an important source of FDI in Ireland, there have been recent international press reports that the Chairman of the Ways and Means Committee (Paul Ryan) is planning to draft an international tax reform plan in September and introduce the Bill in October.

32. The reform Bill will reportedly focus on taxation of foreign income from intangibles. The proposal would effectively create a minimum level of worldwide tax for certain income from intangibles earned by US parented groups. Broadly, it would treat certain intangible income as being subject to US controlled foreign company rules if they are taxed at an effective rate of less than 15% which would result in that income being taxed immediately in the US at a rate of 15% with credit for foreign tax paid.

33. The Ryan reform plan is expected to include proposals for a US innovation box, the cost of which would be offset by requiring companies to amortize their research costs over five years, rather than when paid or incurred as currently permitted. While the prospects for reform remain highly uncertain, all such proposals are carefully monitored on an ongoing basis.

Ireland’s Knowledge Development Box

34. As set out already, the purpose of the Knowledge Development Box (‘KDB’) is to enhance the competitiveness of the Irish tax offering for intellectual property or ‘IP’ and thereby to ensure Ireland continues to be the location of choice for foreign direct investment.

35. It will provide a rate of tax for intellectual property income that is below the normal headline rate of 12.5%, in order to encourage companies to locate high-value jobs that are associated with the development of IP in Ireland.

36. This measure was included in the Road Map for Ireland's Tax Competitiveness that was published with Budget 2015 and will be introduced in Finance Bill 2015.

37. While new to Ireland, the KDB will be based in part on similar "patent box" measures which have existed for many years in countries that compete with Ireland for FDI. However, the measures in our competitor jurisdictions are not sustainable and will be changing following pressure from the EU and OECD.

38. The EU and OECD are finalising the rules that will determine what is internationally acceptable ('modified nexus'). The Minister for Finance has already committed that the KDB will comply with these standards.

39. A public consultation was launched in January this year and closed in April. Nearly 40 written submissions were received and nearly 100 companies met.

40. It has been followed by a Feedback Statement which was published in July this year to allow for further technical consultation on the proposed design.

41. The process includes ongoing engagement with other Government agencies and Departments, including the Department of Jobs, Enterprise and Innovation, the IDA and Enterprise Ireland in particular.

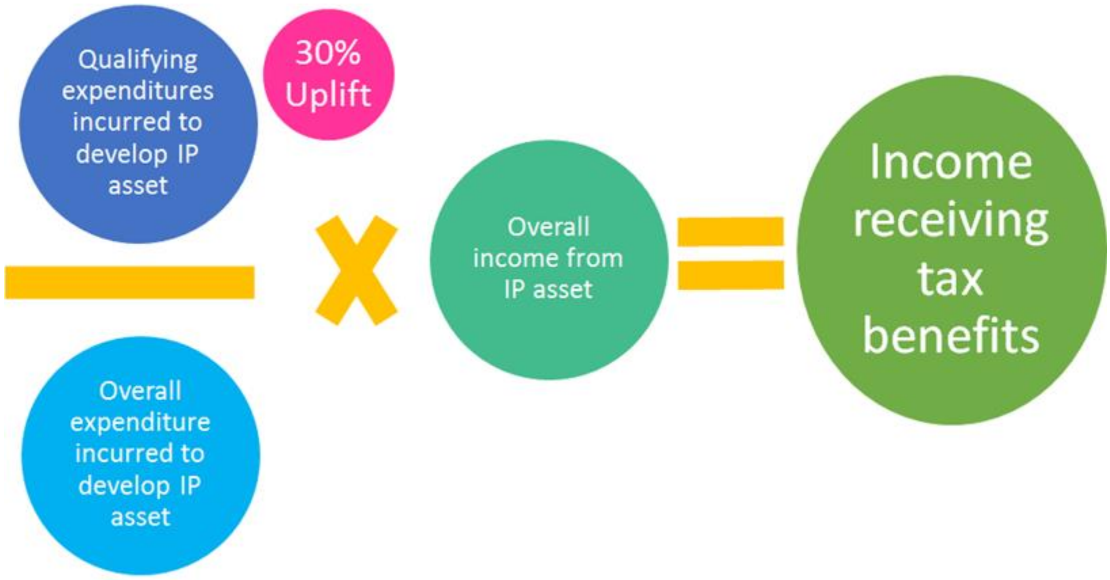
The 'Modified Nexus' Approach

42. The OECD have adopted the so-called "modified nexus" as the parameter that will determine what is acceptable tax competition in relation to patent boxes.

43. The "modified nexus" has resulted from the German-UK compromise on patent boxes which was reached in late 2014 and broadly adopted by the OECD Forum on Harmful Tax Practices. The details of the agreed approach have been finalised and will be published by the OECD in October. The EU Commission, in a recent Action Plan, have endorsed the proposal.

44. Under the "modified nexus", in broad terms, the Irish KDB will operate as follows:
    - the preferential rate may only apply to qualifying income;
    - the income must only arise from specific qualifying assets, such as patents and copyright software; and
    - such income will only be able to qualify for the preferential rate of tax to the extent that it is the result of R&D (qualifying expenditure) carried out by the taxpayer, as a proportion of the total amount of R&D expenditure that was required to generate the asset in the first place.

45. It can be seen from the illustration below of how the KDB will operate that the more R&D that takes place in Ireland, the greater the proportion of income that may qualify for the preferential rate. This is the central purpose of the nexus approach, and is consistent with overall Irish CT policy which is to target substantive activity in Ireland.



46. The rate of tax that will be applied to qualifying income will be decided upon by balancing the commitment to introduce a 'best in class' box against the deadweight cost to the Exchequer from introducing the box.

47. The 'modified nexus' approach agreed at OECD is quite restrictive and the Knowledge Development Box should be seen as an incremental improvement to the corporation tax offering, alongside the R&D tax credit and the intangible asset regime.

48. The research in relation to existing patent boxes questions their effectiveness in terms of stimulating additional R&D. While, the new 'modified nexus' rules require that there be substantial R&D activity to gain access to the preferential rate in any jurisdiction and there is, as yet, limited evidence regarding the potential positive impact of this new requirement.

49. It could be anticipated that the requirement for R&D would make the KDB a more attractive proposition for indigenous companies with the majority of their R&D in Ireland. The incentive effect on MNCs will depend on the proportion of their global R&D activities that take place in Ireland.

50. The KDB, the R&D tax credit and the intangible asset regime, combined comprise a very competitive offering.

Other Corporation Tax Policy Issues

Three Year Start-Up Relief (s486C TCA 1997)

51. Relief from corporation tax is available to certain start-up companies in their first three years of trading. The relief was introduced in Finance (No. 2) Act 2008 and was modified by the Finance Act 2011 and Finance Act 2013. The relief was extended in Finance Act 2014 until end 2015 to allow for a comprehensive review of the relief in 2015.

52. The review of the relief was included as part of the public consultation on Tax and Entrepreneurship and is discussed in further detail in a related paper on Taxation Reviews - TSG 15/04.

New Fiscal Terms for Oil and Gas

53. On 14th May 2013 the Minister for Communications, Energy and Natural Resources announced a review of the fiscal terms for oil and gas production, on foot of a report from the Joint Committee on Communications, Natural Resources and Agriculture on "Offshore Oil and Gas Exploration" to examine whether or not the fiscal terms for the production of oil and gas were "fit for purpose".

54. The Department of Communications, Energy and Natural Resources ('DCENR') engaged the consultant group Wood Mackenzie to undertake this review in 2014 and the resultant report and recommendations was presented and agreed by Government in June 2014.

55. The new Petroleum Production Tax (PPT) will replace the Profit Resource Rent Tax ('PRRT'), which was introduced [in 2007] and which applies to licenses granted between 2008 and June 2014. The new PPT will apply to licenses which are finalised from June 2014 onwards.

56. The Government decision sets out that the new PPT will be:
    - levied on a producing field's net income (i.e. gross sales less costs);
    - at a rate that operates on a sliding scale basis starting at a 10% rate applying where the profit ratio of a field is above 1.5 up to a maximum amount of 40% where the profit ration is above 4.5; and
    - is payable in addition to the existing 25% rate of corporation tax that applies to the profits from oil and gas exploration.
    - An important feature of the new PPT is that, once field production has commenced, where the PPT payable under the above formula would be less than 5% of the annual gross revenues of the field, a minimum PPT payment of 5% of annual gross revenues will be due annually.

57. The Wood Mackenzie report also recommends that the PPT calculated on an individual field basis be deductible for the purposes of calculating the profits subject to the 25% rate of corporation tax on the basis that this is the norm in other jurisdictions. It should be noted that this has the effect of reducing the effective rate of PPT by one quarter such that, for example, the combination of the maximum PPT rate of 40% and the corporation tax rate of 25% will give rise to a marginal tax rate of 55% (i.e. 40% + (25% * (100% - 40%)) = 55%).

58. The introduction of the new minimum PPT of 5% of gross revenues combined with the increase in the marginal rate to 55% (as compared to 40% under the existing PRRT) is designed to strike a balance between maximising the return to the State from natural resources and attracting the necessary high-risk exploration investment.

59. The legislation providing for the new fiscal terms will be introduced in Finance Bill 2015.

IFS 2020 - Strategy for Ireland's International Financial Services sector 2015-2020

60. Ireland today has a thriving and growing International Financial Services (IFS) sector, which is making an important contribution to the economy. The industry is faced with challenges, including a changing regulatory and taxation environment. IFS2020, which was published in March 2015, is the new Government strategy for the sector and sets out a new vision and strategy for Ireland's international financial services (IFS) sector, including a suite of specific actions to drive continued growth and job creation.

61. A number of tax measures are being considered to resolve technical issues and clarify the operation of provisions relating to international financial services to reflect recent developments such as the introduction of the Alternative Investment Fund Managers Directive (AIFMD) and the passing of the Irish Collective Asset-management Vehicles (ICAV) Act 2015. Such measures should update the tax legislation to reflect the regulatory developments and improve competitiveness in the sector.

Appendix

A Road Map for Ireland's Tax Competitiveness - Summary of Key Measures

Item	Ireland's Road Map for Tax Competitiveness: Commitment and Action
1.	**Rate: maintaining the 12.5% corporation tax rate is settled policy, it will not change** • The Department of Finance has commissioned independent research, conducted by the ESRI, which shows that an increase in Ireland's corporation tax rate would have reduced FDI flows into the country. • For this reason the Government is more certain than ever that the 12.5% CT rate should not and will not change.
	ACTION 1: Budget 2015 publication of independent ESRI Research in the Department's "Economic Impact Assessment of Ireland's Corporation Tax Policy"
2.	**Reputation: Company Residence Rules** • Ireland's company tax residence rules have not kept pace with international tax developments. • They therefore will be updated in Finance Bill 2014 to provide a default rule that all companies incorporated in Ireland are tax resident in Ireland. • The change will come into effect on 1 January 2015 in respect of new companies. • In the interest of giving certainty to companies with existing operations in Ireland, a transition period to 2020 will be provided.
	ACTION 2: Legislative change on Ireland's company residence rules introduced in Finance Bill 2014

3.	**Regime: Intellectual Property**
	• EU and OECD rules on what will be acceptable competition in this area are not yet settled.
	• However, following international trends in competitor jurisdictions, it is clear that making Ireland an attractive location for the development of intangible assets should be a priority.
	• The Government intends to introduce a "Knowledge Development Box" income-based tax regime for intangible assets in 2015, and will open a public consultation on the development of the regime in late 2014.
	• In addition, Ireland's existing s.291A capital allowances regime for expenditure on intangible assets will be enhanced in Finance Bill 2014:
	  ○ The current 80% cap on the aggregate amount of allowances and related interest expense that may be claimed will be removed.
	  ○ The definition of specified intangible assets will be amended to explicitly include customer lists.

	ACTION 3: Public consultation on "Knowledge Development Box" to open in 2014, and legislative enhancements to s.291A introduced in Finance Bill 2014
4.	**Regime: R&D tax credit** • In Budget 2014 the Minister for Finance announced his intention to phase out the base year restriction, subject to resources. • Finance Bill 2014 will implement this intention and provide for the full removal of the restriction. • The Revenue Commissioners also plan to publish new guidelines to enhance clarity on the administration of the R&D tax credit.
	ACTION 4: Legislative changes to R&D regime introduced in Finance Bill 2014

5.	**Regime: Special Assignee Relief Programme (SARP)** • International competition to attract high-quality mobile talent is intense. • SARP was introduced to enable Irish employers to compete with other countries, to attract the talent necessary to establish and develop global businesses in Ireland. • A comprehensive review of SARP was undertaken in advance of Budget 2015, to identify cost-effective options to improve the effectiveness of the regime. • Finance Bill 2014 will provide for the continuation and enhancement of the SARP regime.
	<u>ACTION 5</u>: Legislative changes to SARP introduced in Finance Bill 2014
6.	**Regime: Employment and Investment Incentive (EII)** • The EII scheme assists small and medium-sized enterprises to access development capital, in order to expand and increase employment. • The Department of Finance, in consultation with the Revenue Commissioners, undertook a comprehensive review of the EII in advance of Budget 2015. • As a result the EII is to be amended to raise company limits, increase the holding period by 1 year and include medium-sized companies in non-assisted areas and internationally traded financial services subject to certification by Enterprise Ireland. The operating and managing of hotels, guest houses and self-catering accommodation will remain eligible under the EII for a further 3 years.
	<u>ACTION 6</u>: Legislative changes to EII introduced in Finance Bill 2014
7.	**Regime: Continue to Diversify and Improve Access to new Export Markets** • Support for Irish enterprises to expand and access new export markets is key to the diversification of the corporation tax base. • A review of the Foreign Earnings Deduction (FED) tax regime, which supports Irish businesses in accessing foreign export markets, was undertaken in 2014. • In Finance Bill 2014 the list of countries relevant for the FED will be expanded to include a number of countries in the Middle East and Asia.
	<u>ACTION 7</u>: Legislative changes to FED regime introduced in Finance Bill 2014
8.	**Regime: Competent Authority for Transfer Pricing** • International Transfer Pricing disputes are likely to grow in number and Ireland must be ready to defend its tax base. • Accordingly Ireland will strengthen the capabilities of its transfer pricing competent authority by assigning new resources to the Revenue Commissioners to meet this priority need.
	<u>ACTION 8</u>: Additional Competent Authority staff to be recruited
9.	**Reputation: Expansion of Tax Treaty Network** • Ireland's extensive network of tax treaties and information exchange agreements is a key factor in attracting globalised business to locate substance in Ireland. • Continued expansion of Ireland's tax treaty network is critical to continued success.
	<u>ACTION 9</u>: Work to expand Ireland's DTA Network is continuing, and will be accelerated where possible
10.	**Reputation: Ireland is maintaining its commitment to ensuring an open and transparent tax regime** In line with the International Tax Strategy published last year, Ireland will be: • An early adopter of Automatic Exchange of Tax Information. • Supportive of OECD proposals for Country by Country reporting. • One of the first countries worldwide to carry out a Spillover Analysis of the impact of its tax system on developing economies.
	<u>ACTION 10</u>: Publication of Spillover Analysis report and continued support of information exchange and reporting