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Is Tax an issue for the ASEAN Economic Community (AEC)?
Investment and growth

- Taxation
- Infrastructure
- Availability of labour
- Regulations
- Foreign direct investment (FDI)
- Political stability
- Investment climate
Global Tax Agenda

Action 1: Address the tax challenges of the digital economy

Action 2: Neutralise the effects of hybrid mismatch arrangements

Action 3: Strengthen Controlled Foreign Corporation (CFC) rules

Action 4: Limit base erosion via interest deductions and other financial payments

Action 5: Counter harmful tax practices more effectively, taking into account transparency and substance

Action 6: Prevent treaty abuse

Action 7: Prevent the artificial avoidance of permanent establishment status

Action 11: Establish methodologies to collect and analyse data on BEPS and actions addressing it

Action 13: Require taxpayers to disclose their aggressive tax planning arrangements

Action 13: Re-examine transfer pricing documentation

Action 8: Consider transfer pricing for intangibles

Action 9: Consider transfer pricing for risks and capital

Action 10: Consider transfer pricing for other high-risk transactions
Navigating Tax in ASEAN

- Varying rules and practices e.g., transfer pricing regulations
- 10 different tax systems
- More than 12 different taxes
- Lack of transparency and certainty
Investment into and intra ASEAN

- Myanmar
- Laos
- Thailand
- Cambodia
- Vietnam
- Philippines
- Brunei
- Malaysia
- Singapore
- Indonesia
Striking the balance

- Challenges of the tax environment
  - Revenue needs
  - Increasing focus on paying “fair share”
  - Diverse tax systems and treatment

- Investor focus
  - Certainty
  - Return on investment
  - Risk management

Lifting-the-barriers Roundtables: Tax
Questions

Should Tax be an issue that needs to transcend national agendas to become an ASEAN agenda?

Is AEC the right forum to elevate discussions?

How can ASEAN be “one voice” at global discussions?
The way forward ….

Enhancing transparency and certainty
- Clarity of tax policy and law
- Administration of tax
- Consistency and alignment of standards in tax policy

Encouraging intra-ASEAN business
- Multilateral tax agreements for intra-ASEAN trade
- “Most Favoured Nation” treatment

Creating an AEC tax agenda
- Specific tax agenda as part of AEC workstreams
- “One voice” from ASEAN towards global discussions
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APAC no. 12000280
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