Oxford University
Centre for
Business Taxation

Oxford University Centre for Business Taxation
Annual Report 2014

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Oxford University Centre for Business Taxation

Oxford University Centre for Business Taxation is an independent research centre which aims to promote effective policies for the taxation of business.

The Centre undertakes and publishes multidisciplinary research into the aims, practice and consequences of taxes which affect business. Although it engages in debate on specific policy issues, the main focus of the Centre's research is on long-term, fundamental issues in business taxation. Its findings are based on rigorous analysis, detailed empirical evidence and in-depth institutional knowledge.

The Centre provides analysis independent of government, political party or any other vested interest. The Centre has no corporate views: publications of the Centre are the responsibility of named authors. The Centre is not a consultancy: it reserves the right to publish the results of its research.

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Introduction

This report summarises the activities of the Centre for Business Taxation between August 2013 and July 2014.

In policy debates, the year has been dominated by discussion at the OECD and elsewhere of the OECD's Action Plan for BEPS (Base Erosion and Profit Shifting), although other international organisations, notably the European Commission and the IMF, have made significant contributions. Ongoing background commentary has been provided by activists, the UK Public Accounts Committee and even the US Senate making claims about the tax planning activities of a number of named multinational companies.

The Centre has been active in these debates on the reform of the international tax system in four principal ways.

First, we have provided a forum for debate on specific issues relating to the BEPS Action Plan, and other issues more generally. In the last eighteen months, we have hosted two major conferences that have brought together leading international participants in the debate from business, governments, professional firms, academia and international organisations such as the OECD, European Commission, UN and IMF. These conferences have been some of the largest CBT events since the Centre was formed in 2005, with well over 200 participants in each event.

Second, we have engaged in the debate in formal and informal settings in many other fora. For example, I agreed to become a member of the European Commission's Expert Group on Taxation of the Digital Economy. This took up considerable time during the first half of 2014, before the report was published in June 2014. I, and other members of the Centre, have also advised the IMF on its work, taken part in discussions and given presentations at HM Treasury and HMRC, given evidence to select committees and also taken part in meetings with the OECD and various business groups. This builds on work last year with the House of Lords Economic Affairs Committee and the National Audit Office.

Third, we have tried to extend the existing debate by considering the basic structural problems of the existing system. I initially set this out in a talk given to a joint meeting of the Chartered Institute of Taxation and the Institute for Fiscal Studies in October 2013, and have developed ideas further since then. To generate more ideas, and to make them more concrete, the Centre has set up a panel of seven expert economists and lawyers from academia, professional practice and the IMF, to consider longer term reform to the international tax system. This group, which I chair, has met on several occasions, and ultimately plans to publish a comprehensive report on the existing state of the tax system and on options for reform.

Fourth, and most fundamentally, we have continued to undertake longer term research into the effects of various aspects of business taxation on the activities of business. Our empirical work in this area has been helped enormously by being given access by HMRC to anonymised and confidential tax return data – for corporation tax and VAT. This provides much more detail than is available elsewhere, and it permits the use of new techniques in assessing the impact of taxes on business decisions. We have already published one paper that uses these data to estimate the social costs of corporation tax; work in progress includes projects on the importance of capital allowances on investment, the response of businesses of different sizes to the tax advantage of debt finance, and the role of taxes in the incorporation and investment of small businesses.

As well as this work, the Centre has also engaged in research on the relationship between HMRC and business in the UK, undertaking a large survey of business on the Business Risk Review, the role of HMRC staff and the Litigation and Settlement strategy. We have also analysed more specific taxes and tax proposals, such as bank levies introduced in many European countries, and the proposal for a Financial Transactions Tax.

The Centre's output in this year has included 4 book chapters, 17 published academic papers, 32 academic working papers and other publications. The Centre has also hosted numerous academic events for researchers in business taxation from around the world. It can reasonably claim to be the world's leading research centre in business taxation.

We continue to be grateful to a number of members of the Hundred Group for their generous financial support, and also to the Economic and Social Research Council for its grant funding. Also, as in previous years, I have depended heavily on the support of Professor Judith Freedman, Director of Legal Research at the Centre.

Michael Devereux
Director

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News

The Centre's Director, Michael Devereux, was appointed a member of the European Commission's High Level Expert Group on Taxation of the Digital Economy. This group of six experts worked during the first half of 2014 under the chairmanship of Vitor Gaspar, previously the Portuguese Finance Minister, and reported in June 2014.

Michael Devereux continued his term as President of the International Institute of Public Finance (IIPF), and also continued as Research Director of the European Tax Policy Forum (ETPF) and a member of the UK government's Business Forum on Tax and Competitiveness, chaired by David Gauke.

Centre staff have supported a number of official enquiries relating to business taxation, including:

- In December 2013, Director of Legal Research Judith Freedman gave oral evidence to the House of Lords Select Committee on Personal Service Companies. The committee's report, published in April, includes references to, and quotes from, Judith's evidence.
- In January 2014, Judith Freedman gave written and oral evidence to the House of Lords Economic Affairs Finance Bill Sub-Committee on the topics of partnership taxation and on approaches to tax law reform. The subsequent report, published in March, includes quotes from Judith's oral evidence on partnership tax and on tax policy-making.
- In March 2014, Michael Devereux, Judith Freedman and John Vella acted as reviewers for the NAO on their Tax Reliefs report, which describes the 'landscape' of tax reliefs in the UK.

The Centre has been successful in securing a new grant of £150,000 from the Nuffield Foundation to support an ambitious project to reconsider the nature of taxes on international corporate profit. The Centre has set up a world-class panel of economists and lawyers, chaired by Michael Devereux, to debate both short-run and long-run reforms to the ways in which profit is allocated between countries for tax purposes. Other members of the panel are:

- Alan Auerbach, Robert D. Burch Professor of Economics and Law, University of California, Berkeley
- Michael Graetz, Wilbur H. Friedman Professor of Tax Law and the Columbia Alumni Professor of Tax Law at Columbia Law School
- Michael Keen, Deputy Director, Fiscal Affairs Department, IMF
- Paul Oosterhuis, Senior International Tax Partner, Skadden Arps LLP, Washington DC
- Wolfgang Schön, Managing Director, Max Planck Institute for Tax Law and Public Finance
- John Vella, Senior Research Fellow, CBT, Oxford University

A significant part of the Centre's research this year has been funded by the Economic and Social Research Council (ESRC). This research is using confidential tax return data available in the HMRC Datalab to re-examine the impact of various taxes on aspects of business behaviour, including investment and finance. We are grateful to HMRC for giving us access to this extremely useful data.

The Centre hosted a number of well-attended policy conferences during the year, including:

- *The bank levy: a review*, in London in February 2014, at which the Centre's research on the effects of the bank levies introduced in recent years across several European countries was presented.
- *Tax risk management: new approaches to tax compliance*, in London in May 2014; speakers discussed the balancing act that is required between efficient resource allocation, equality of treatment, certainty and the rule of law in relation in managing tax risk.
- *Tax competition and BEPS*, in Oxford in June 2014 – our annual summer conference; speakers from business, professional firms, the UK and Irish governments, European Commission, IMF and academia discussed the inherent tensions in government policy between competition and cooperation with other countries before an audience of over 200 participants.

The Centre also hosted a regular academic seminar series in Oxford, and a number of other academic conferences including:

- Our annual interdisciplinary PhD conference, which brought together PhD students studying business taxation from around the world, in Oxford in September 2013.
- *The taxation of multinational firms*, in Mannheim in November 2013, jointly organised with the economic research institute, ZEW.
- Our annual interdisciplinary Academic Symposium, which brought together the world's leading academic researchers in business taxation in Oxford for several days in June 2014.

Research Fellow Anzhela Yevgenyeva was appointed managing editor of the loose-leaf encyclopaedia, D. Vaughan and A. Robertson, eds., Law of the European Union (Oxford University Press). Anzhela's doctoral thesis on direct taxation and the internal market won the European Law Faculties Association 2014 ELFA First Award for the best thesis on Eurpean Law and was granted an honourable mention for the International Fiscal Association's 2013 Mitchell B. Carroll Prize.

Michael Devereux and John Vella taught the 'Taxing Business' option for the Master of Public Policy 2013-14 at the Blavatnik School of Government, University of Oxford.

Research Highlights

HMRC's relationship with business

The relationship between HMRC and business has recently come under intense public and political scrutiny. In the summer of 2014, the Centre published a report on this relationship based on the views of large businesses collected through a questionnaire sent to around 1,800 companies with thirty follow up face-to-face interviews.

The report primarily covers three aspects of this relationship. The first is the UK's Co-Operative Compliance programme known as the Business Risk Review (BRR). The BRR had been previously examined by the Centre through a survey of tax directors undertaken in 2008. At the time, the programme was still bedding in and some uncertainty remained as to its operation. The programme has since matured and been rolled down to some smaller firms, and it was thus useful to revisit it. The report examines how the BRR has developed and evolved, how it is working across a range of businesses and whether it is achieving its stated goals.

The report also looks at HMRC staff, who are clearly critical to the relationship, and the Litigation and Settlement Strategy (LSS), which updated and formalised the manner in which HMRC resolve disputes with taxpayers, another critical feature of the relationship and the cause of much recent concern. By examining the design and operation of the LSS, the research sought to establish whether it struck the right balance so as to facilitate settlements which are in the public interest whilst ensuring that the necessary safeguards and controls are in place.

This research project thus seeks to improve our understanding of the relationship between HMRC and larger businesses. It informs the on-going debates by shedding light on the current state of affairs and suggesting the modifications or clarifications to the rules and guidance which ought to be made.

Judith Freedman, Francis Ng and John Vella, CBT Report, May 2014

What are the social costs of corporation tax?

All taxes distort the behaviour of private economic agents, but some do so more than others. Economists have recently investigated the costs associated with high rates of personal income tax – which could arise from lower effort or moving to a different jurisdiction, as well as the real costs associated with evasion and avoidance. These costs are important: while payment of £1 in tax reduces the private wealth of the tax payer, society as a whole does not lose out because that money is available for spending by the government. But the additional costs associated with taxes represent a real waste of resources to society as a whole.

Recently published Centre research has developed techniques for assessing the social costs of taxes on corporate profit. This research uses data from the population of UK corporation tax returns between 2001 and 2008 available in a new secure Datalab in HMRC. The empirical procedure is to estimate the elasticity of corporate taxable income with respect to the statutory corporation tax rate. Under certain circumstances this elasticity can be a "sufficient statistic" for evaluating the social costs of corporation tax. We also develop a method for assessing how far differences in personal and corporate taxes affect the share of total income declared in the two different forms.

The research exploits two types of variation in corporation tax rates to identify its effects. The first arises from a number of reforms to the corporation tax regime for small companies, including the introduction, reform and abolition of a starting rate between 1999 and 2006. The second arises from discrete and sometimes large changes to the marginal tax rate at various points in the tax schedule.

Overall, our results suggest that the elasticity of corporate taxable income, and hence the social cost of the tax, varies depending on the size of the company. But especially for smaller companies, we estimate that the social cost could be as high as 29% of the revenue collected. That is, for every additional £100 of tax revenue generated from small companies, the cost to the companies is around £129, and the loss to society as a whole is £29.

Michael Devereux, Li Liu and Simon Loretz, The elasticity of corporate taxable income: new evidence from the UK tax records, American Economic Journal: Economic Policy, 6(2), pp.19-53

Can taxes tame the banks? Evidence from European bank levies

In the wake of the financial crisis, the IMF promoted levies on the risky part of bank funding as a tool to increase revenue collection from the financial sector while at the same time contributing to financial stability by creating incentives for banks to adopt less risky capital structures. Such bank levies have been adopted in 14 European countries and are still under consideration in others. This research project studies how banks responded to the levies, with the ultimate aim of assessing whether they have been successful in reducing risk in the financial sector. We use data from the financial reports of more than 5,000 European banks.

Our first main finding is that the levies did have a statistically and economically significant effect on banks' funding choices – our results suggest that banks raised their equity-asset ratio by 1 to 1.5 percentage points on average in response to the levies. This suggests that the levies can be successful in reducing banks' funding risk.

> Levies were more successful in reducing total risk in initially safe banks than in initially risky banks (Can taxes tame the banks? Evidence from European bank levies).

However, we also find that the levies had an effect on banks' portfolio choices. Specifically, we find that banks that had a low initial level of capital (ie. that were more risky on the funding side) changed their portfolio of assets in response to the levies so as to increase the average portfolio risk. This seems likely to be the result of an unintended interaction with financial regulation, which imposes a minimum ratio of bank capital to risk-weighted assets. Hence, to the extent that banks raise more capital because of the levies, they are also able to increase the risk of their assets while still complying with the regulatory capital requirements.

These results suggest that the intended behavioural response, the decrease in funding risk, was largest in relatively safe banks whereas the unintended response, the increase in portfolio risk, occurred only in relatively risky banks. This seems to imply that the levies were more successful in reducing total risk in initially safe banks than in initially risky banks.

Michael Devereux and John Vella, CBT Working Paper 13/25

Incorporation for Investment

One aspect of the Centre's research programme is the effects of taxes on decisions made by small businesses. Two related questions that we address are: (i) why do small businesses incorporate?; and (ii) are there any non-tax benefits from incorporation? A popular view is that small firms choose to incorporate in order to benefit from limited liability or the separation of ownership and control, but the value of these benefits is very restricted for small companies. We investigate instead whether small firms find it easier to raise finance if they are incorporated.

To investigate the role of corporation tax on small business incorporation and investment, we use confidential, anonymised data from the population of UK corporation tax records between 2001 and 2009, available in the HMRC Datalab. To identify the effects of tax we rely on a number of changes to the tax rate schedule for small companies during this period.

To identify the effects of corporation tax on the decision to incorporate, we compare the distribution of taxable income of newly incorporated firms at different points in time. Consistent with corporation tax being an important factor in the incorporation decision, we find substantial evidence that there were more incorporations of businesses with levels of taxable income that created the greatest tax advantage relative to being unincorporated.

But incorporation itself is of only secondary interest if it has little impact on the behaviour of the businesses. We therefore also study investment of new companies. In particular, we ask whether the greater information requirements on incorporated businesses are associated with a greater willingness of banks to provide finance. More specifically, as more information becomes available over time for new companies, we test indirectly whether access to finance becomes easier the longer businesses have been incorporated. If so, this should be reflected in higher investment. We do find that financial constraints on new companies diminish over time, consistent with these hypotheses.

This suggests that a tax benefit to incorporation has a positive effect on the economy, by inducing businesses to incorporate, and also to help such newly incorporated business raise additional finance to support higher levels of investment.

Michael Devereux and Li Liu, CBT Working Paper 14/17

Are we heading towards a corporate tax system fit for the 21st century?

A key feature of the Centre's research is to understand the origins of the problems of the existing international tax system; only with such an understanding will it be possible to evaluate potential reforms as to whether they could create a stable system for the future, reducing the distortions created to business decisions, and removing the basis for the widespread misunderstanding of the system.

There are three important features of the development of the existing system that create significant problems. First, the underlying "1920s compromise" for allocating the rights to tax active business income in a source country and passive income in a residence country is both arbitrary and increasingly hard to justify or implement in a modern economic setting. Second, over time, the reliance on the arm's length pricing principle has led the OECD and governments away from a system with any serious underlying economic rationale. Third, because the system is based on taxing mobile activities, it invites countries to compete with each other to attract economic activity and to favour "domestic" companies. This undermines any international consensus.

The OECD Base Erosion and Profit Shifting (BEPS) initiative essentially seeks to close loopholes rather than to re-examine these fundamental problems. It does appear to set out a principle by which tax should be levied where economic substance or activity is present. This may be a reasonable principle, but it should be recognised as being inconsistent with existing principles. As a consequence, the OECD approach is likely to create more complexity, rather than to generate a stable long-run tax system.

We briefly consider some more fundamental alternative reforms.

Michael Devereux and John Vella, CBT Working Paper 14/25

Research Highlights *continued*

Cash-flow taxes in an international setting

One aspect of the Centre's research agenda is to consider and analyse potentially fundamental reforms to the international tax system. This is partly in response to the problems of the existing system, and partly in response to far-reaching proposals that have been advocated, such as a formula apportionment system. This project sets up a rich theoretical economic model which can help understand the incentives created and outcomes for alternative forms of taxation. Within this framework we compare three broad structures of taxation: (i) the existing system - which economists characterise as a source-based tax; (ii) a system based on formula apportionment; and (iii) a system based on taxing income where sales are made in a similar way to VAT (though unlike VAT allowing employee costs to be deductible) – we describe this as a destination-based tax.

Within the setting of the theoretical model, the destination-based tax avoids distortions to business behaviour, since we assume that the location of sales to third parties cannot be chosen by the selling company. Such a tax would also inhibit much tax planning with respect to, for example, the location of intangible assets. These factors represent a significant advantage of a destination-based system over the other two systems. In theory, then, it would prove a better basis for international taxation if implemented in all countries.

But a significant question is whether there would be an incentive for an individual country to switch to a destination basis unilaterally. From the perspective of a single country, there is one advantage to a source-based tax – that is the effective incidence of the tax falls at least partly on shareholders; this implies that part of the burden of the tax can fall on non-residents. This is a form of "tax-exporting", which benefits domestic residents. From a single country perspective, a switch to a destination basis would therefore require trading off the benefits of reducing distortions to economic activity against the benefits of tax exporting.

Alan Auerbach and Michael Devereux, CBT Working Paper 13/13

How should financial intermediation services be taxed?

Financial intermediation services include services as intermediation between borrowers and lenders, insurance, and payment services. These services comprise a significant and growing part of the national economy – 7.9% in 2007. The question of whether, and how, financial intermediation services should be taxed is contentious. Within the EU, most financial services are exempt from VAT, and there is considerable debate about the possible benefits from bringing them into the VAT system.

In the debate on this topic, it is generally assumed that within a consumption tax system, such as a VAT, it is desirable to tax financial services supplied at the standard rate of VAT, and allow providers of intermediation services to claim back VAT they pay on inputs. However, this policy prescription is at variance with academic work on this issue which suggests that while payment services should be taxed at the same rate as consumption, intermediation between borrower and lender should not be taxed at all. This research takes a fresh theoretical look at these questions in a more general dynamic equilibrium setting. We study savings intermediation services and payment (or transaction) services and separately, in two different papers.

In the first paper we assume, realistically, that savings intermediation is not explicitly priced, but charged for via a spread – which can be taxed – between borrowing and lending rates set by competitive banks. The analysis suggests that the spread should in principle be subject to VAT. This is consistent with a widely accepted principle that intermediate goods should not be taxed; in this case, businesses that borrow from banks could set the input VAT on their borrowing against the VAT on their sales, as with any other input subject to VAT. But consumers would bear the cost of the VAT charged on borrowing. However, in most realistic cases, the rate of VAT would optimally be set equal to the tax rate on capital income, which is generally different to the optimal tax rate on consumption.

In the second paper, we analyse payment services, such as the provision of credit and debit cards. All optimal tax structures distort the relative costs of payment media, by raising the cost of deposits relative to cash. In the simplest structure, cash should be untaxed and the rate of tax on transactions services could in principle be higher or lower than the consumption tax. But when the model is calibrated to US data, simulations suggest that the transactions services tax should be considerably lower than this. This is because a transactions tax has a "double distortion": it distorts the choice between payment media, and indirectly taxes consumption.

Ben Lockwood, CBT Working Paper 13/09; CBT Working Paper 14/23

VAT notches

Most countries around the world use the Value Added Tax (VAT) as their primary indirect tax, and most countries have thresholds, usually based on turnover, below which businesses do not need to register for VAT. As VAT rates are often quite high (in excess of 20% in many EU countries), this creates a large and salient tax notch above which the tax liability increases discontinuously for small businesses whose turnover is around the threshold.

In this research project, we develop a conceptual framework for

The Commission's evidence does not support the choice of the FTT as the instrument which is best suited to achieve these objectives (Evidence-based policy making? The Commission's proposal for an FTT).

studying VAT notches. We show first that the effect of the VAT system on profit can be captured by a "sufficient statistic" which combines the effects of both input and output VAT, and which applies to both registered and non-registered firms. We then show that voluntary registration is more likely, and the amount of bunching is smaller, when either (i) the cost of inputs relative to sales is high, or (ii) when the proportion of B2C sales is low. The intuition for (ii) is simply that if most customers are VAT-registered, the burden of an increase VAT can easily be passed on the form of a higher price, because the customer himself can claim back the increase. The intuition for (i) is that when input costs are important, registration allows the firm to claim back a considerable amount of input VAT.

We then bring these predictions to an administrative data set of VAT returns for the UK. In the aggregate, there is clear evidence of bunching at the VAT threshold. This is the first evidence, to our knowledge, that a VAT notch leads to bunching. Investigating further, we find that firms are less likely to "bunch" i.e. more likely to register voluntarily, even when their turnover is below the registration threshold, when either (i) the cost of inputs relative to sales is high, or (ii) when the proportion of B2C sales is low, consistently with the theory. We also show, again consistently with the theory, that among firms who bunch, the amount of bunching is increasing in the B2C sales ratio, and decreasing in share of ratio of input costs to sales. So, there is a clear pattern of heterogeneity in bunching.

The next question is how it is that firms bunch; that is, what is (are) the mechanism(s) at work? One possibility is that they genuinely restrict their sales so that turnover stays below the threshold. If so, the distribution of input-cost ratio should be smooth around the VAT notch. We provide some suggestive evidence that part of bunching is driven by under-reporting of sales. Specifically, we find that the salary-inclusive input cost ratio moves in the parallel direction between the registered and non-registered group outside the bunching region, but starts to increase substantially for the non-registered companies just below the threshold. We interpret the large and sharp increase in the salary-inclusive input-cost ratio to be partly driven by the fact that it is costly to underreport salary expenses due to third-party reporting.

Finally, we estimate the structural elasticity of the tax base with respect to the VAT rate, which is in the range of 0.09 to 0.14.

Li Liu and Ben Lockwood, CBT Working Paper 13/09

Evidence-based policy making? The Commission's Proposal for an FTT

The controversial proposal by the European Commission for the introduction of a Financial Transaction Tax (FTT) has sparked intense debate with strong views expressed on all sides. Unfortunately, this debate has frequently been characterised by arguments borne of political convenience, self-interest or uninformed beliefs. The evidence presented by the Commission in support of its proposal for an FTT provides a more concrete and fruitful route through the debate. The Commission is committed to evidence-based policy making, and it expended considerable energy in producing a vast amount of evidence to back both its original proposal of 2011 for the adoption of an FTT by all Member States, and its second proposal for the adoption of an FTT by a subset of Member States through the enhanced cooperation procedure.

Building on previous research by the authors, this paper joins the debate by simply asking whether the extensive evidence presented by the Commission in the past three years in support of its proposal is persuasive and makes the case for an FTT. It does so within the framework of a three-step policy evaluation of the proposal. First, what are the proposal's objectives? Second, are these objectives justified? Third, is the proposed tax the instrument which is best suited to achieve these objectives?

The central conclusion of this paper is that the Commission's evidence is not persuasive and does not make the case for an FTT. Whilst some of the objectives pursued by the proposals are reasonable, others are questionable. More importantly, the Commission's evidence does not support the choice of the FTT as the instrument which is best suited to achieve these objectives. More targeted and more efficient instruments should and could be used to achieve these objectives.

Giorgia Maffini and John Vella, Issues and challenges concerning the introduction of a financial transaction tax in the European Union, IBFD, forthcoming.

Harmful tax practices under the G20/OECD BEPS Action Plan

The Action Plan on Base Erosion and Profit Shifting (Action Plan) intends to "revamp" the work on harmful tax practices that has been undertaken by the Organisation for Economic Co-operation and Development (OECD) since the late 1990s. Further enhancement of the OECD's transparency standards, the reinforcement of the requirement of a "substantial activity" for any "acceptable" preferential tax regime and an ambition to ensure a closer engagement of non-OECD economies re-open the debate on "harmful tax competition" that sparked in the academic literature and political arenas following the first attempt of international co-ordination.

This research project analyses the priority measures that are envisaged by Action 5 of the Action Plan and their foreseeable

Research Highlights *continued*

prospects. The paper first discusses the ambiguity of the concept of "harmful tax competition" and the difficulties of distinguishing "harmful" and "fair" tax practices. It focuses on fundamental concerns and controversies explored in the public finance literature. Then it looks back at the objectives of the 1998 OECD's campaign and the key steps that have been undertaken in their pursuit and finally, it turns to the changes in the OECD strategy envisaged by Action 5 of the Action Plan and explores some of the open questions in relation to the priority measures. Although this contribution focuses on the OECD's actions, it also draws some parallels with the actions undertaken by the European Union, since the overlap between the two campaigns against harmful tax practices has increased due to the EU's intention to promote "minimum standards of good governance in tax matters" beyond the borders of the Single Market.

Overall, this paper argues that the OECD is merely seeking to upgrade its existing mandate and exploit the political momentum that has been created by the BEPS campaign. Conceptually, the strategy proposed by Action 5 of the Action Plan remains within the original remit that was indicated by the 1998 OECD Report and it can be seen as a new attempt to reach the initial objectives. However, the vagueness in formulations of "expected output", as well as the absence of any measurable goals and explicit political commitments towards them, makes the outcomes of Action 5 highly dependent on political support within and beyond the OECD member countries. The proportionality of the "substantial activity" test and its consistent application, as well as sustaining the balance between costs and benefits in setting transparency requirements will be among key issues to be addressed in this regard.

This research project will be taken further to reflect the most recent developments in the G20/OECD and the EU campaigns against harmful tax competition. Both initiatives have clearly indicated their interest in the assessment of the "harmfulness" of patent box regimes. By September 2014, the Forum on Harmful Tax Practices should complete a review of all OECD member country tax regimes in its search for any potentially abusive practices. The EU Code of Conduct group is also expected to publish the assessment of EU patent boxes by the end of 2014. These outcomes will be of great relevance to the United Kingdom as they will demonstrate whether there is any realistic possibility that the UK patent box regime will be challenged. Stage 2 of this research project will focus on the analysis of patent box regimes against the background of these international and EU developments.

Joachim Englisch and Anzhela Yevgenyeva, The upgraded strategy against harmful tax practices under the BEPS Action Plan, British Tax Review 5, pp.620-637

The taxation of non-profit organisations after Stauffer

In the past few years, the question of the tax treatment of non-profit organisations in the cross-border context has often revisited the agenda of the Court of Justice of the European Union (CJEU). In 2006, the Court delivered its first landmark judgment in Case C-386/04 Stauffer, which was followed by Case C-318/07 Persche, Case C-153/08 Commission v Spain, Case C-25/10 Missionswerk and Case C-10/10 Commission v Austria. In each of these rulings, the Luxembourg judges found a restriction of free movement by national tax laws and provided guidance on how Member States' discretion in relation to the tax treatment of non-profit organisations is shaped by European Union law. The European Commission has contributed to the enforcement of EU law in this area by investigating and successfully closing nearly thirty infringement cases against EU Member States. These developments have led to the liberalisation of regulation within the Internal Market, generating increased attention in academic publications and debates.

We aim to provide a detailed account of CJEU case law on the tax treatment of non-profit organizations and offer some reflections on the role of the Court, and negative harmonisation more generally, in the elimination of fiscal obstacles in the Internal Market. We introduce the background problems of the legal treatment that led to the Stauffer case; and analyse CJEU case law on the taxation of non-profit organisations, focusing on judicial reasoning and conclusions drawn. We then offer some broader comments on the implications of judicial intervention for non-profit organisations in the EU, and then concludes with a summary of the whole discussion.

In practical terms, we conclude that the regulatory approach imposed by the Court in relation to the fundamental issues of the tax treatment of non-profit organisation in the cross-border context raises a number of concerns from the perspective of all major stakeholders (i.e. non-profit organisations, donors and tax authorities). However, the solutions proposed by the Commission through a legislative mechanism have generated even wider disagreement and resistance. This lack of political agreement outweighs the deficiencies of negative harmonisation. CJEU jurisprudence in relation to the tax treatment of non-profit organisations provides one of those examples in the field of direct taxation where the "halfway" solution of "equal treatment" proposed under negative harmonisation and horizontally enforced by the Commission offers an acceptable – even if not fully satisfactory – balance.

Anzhela Yevgenyeva, 'The taxation of non-profit organisations after Stauffer' in W. Haslehner, G. Kofler and A. Rust (eds), European Tax Law Classics (Kluwer Law International, forthcoming)

The strategy proposed by Action 5 of the Action Plan remains within the original remit that was indicated by the 1998 OECD Report and it can be seen as a new attempt to reach the initial objectives (Harmful tax practices under the G20/OECD BEPS action plan).

Enhanced cooperation: a way forward for EU tax integration?

The traditional understanding of European integration is closely associated with the concept of unity. Legislative acts adopted by EU lawmakers, as well as interpretation of the EU Treaties and other legal instruments provided by the Court of Justice of the European Union, are seen as aiming to create uniform rules and principles that are applicable throughout the European Union. This perception, however, oversimplifies the complexity of integration processes in the European Union. With the growing heterogeneity of competences, countries and, consequently, interests, the "one-size-fits-all" approach had to be adjusted to create more space for differentiated integration.

One of the central roles in accommodating this growing demand for differentiation was given to the "enhanced cooperation" procedure (ECP), which was introduced by the Treaty of Amsterdam (1997). Thus far, the use of enhanced cooperation has been authorised by the Council of the European Union on three occasions, i.e. in relation to divorce and legal separation, the creation of unitary patent protection, and the financial transaction tax. These pilot projects have gained great attention as a "driving test" that will largely determine the role which this mode of integration will play in the European Union. Particularly high expectations can be found in the fields where the process of integration has been slow due to the lack of political agreement between EU Member States, such as taxation.

Against this background, this paper looks at the application of enhanced cooperation to date and draws some preliminary conclusions on the prospect of differentiated tax integration under this procedure. The analysis seeks to identify the gaps and imbalances in the legal settings of the ECP that may cause difficulties in the use of this route for the purpose of tax integration. One of the key problems highlighted is the lack of mechanisms that would ensure that the interests of non-participating countries are taken into account, which limits the capacity of the ECP to encourage the progressive participation of other Member States and may cause continued litigation in the Court of Justice. Following this critical evaluation, the ECP is contrasted with two alternatives: intergovernmental treaties and non-binding coordination. The paper concludes that although the ECP is often pictured as the mechanism that can help to overcome the decision-making deadlock and is capable of reinforcing tax integration in the EU, these expectations are premature.

Anzhela Yevgenyeva, 'Enhanced cooperation: a way forward for tax integration?' in J. Englisch (ed), International Tax Law and New Challenges by Constitutional and Legal Pluralism (IBFD, forthcoming)

Conferences

Policy Conferences

Summer conference 2014: Tax competition and BEPS

Saïd Business School, Oxford

June 2014

This year's summer conference brought together leading figures from government, business, NGOs and academia to discuss tax competition and BEPS.

In June 2010, the UK government announced that their "aim is to create the most competitive corporate tax regime in the G20, while protecting manufacturing industries". To this end, it has reduced the main rate of corporation tax to 20%, introduced a patent box where income is taxed at 10%, introduced what is generally seen as a generous CFC regime and explicitly stated that the generous treatment of interest expense generates a "competitive advantage". On the other hand the UK has low capital allowance rates, although this too has been offset to some extent by recent hikes in the annual investment allowance.

As well as pursuing this aim, the UK government is heavily involved in the OECD work on combating base erosion and profit shifting (BEPS). At the time of the 2014 Budget, in a single document the Chancellor of the Exchequer lauded his "strategy of reforming the corporate tax system to create the most competitive tax environment in the G20", while also noting that "international cooperation is the only way to tackle the challenge of tax avoidance in the global economy".

The Summer Conference addressed a range of questions. How should the UK and other governments balance tax competition and collaboration to combat avoidance? Is there a tension between the two? Does the BEPS project run counter to greater competition? If, as a counter to profit shifting, governments introduce policies that increase domestic tax liabilities, they may inhibit their agendas for competition. Beyond that consideration, many (if not all) of the OECD Action plans may result in possible solutions that rely on more international collaboration, rather than more competition – for example, neutralising the effects of hybrid mismatch arrangements, strengthening CFC regimes, restricting the deductibility of interest expenses and countering harmful tax practices.

In any case, what benefits does the aggressive stance of the UK and other countries create? There is anecdotal evidence that the UK is now seen as an attractive location of headquarter companies – although the recent bid for AstraZeneca suggests that this may result in UK companies being more prone to becoming takeover targets. How long will it be before the benefits of the aggressive stance are eroded as other countries are forced to follow suit? What is the appropriate stance to take on the treatment of the digital economy, interest, CFCs, patent income and transfer pricing more generally?

Speakers included:

- Alan Auerbach, Robert D. Burch Professor of Economics and Law, University of California, Berkeley
- David Bradbury, Head of the Tax Policy and Statistics Division, OECD
- Ian Brimicombe, VP Corporate Finance, AstraZeneca plc
- Richard Collier, Tax partner, PwC
- Michael Devereux, Professor of Business Taxation and Director, Oxford University Centre for Business Taxation
- Dhammika Dharmapala, Professor of Law and Finance, University of Illinois
- John Gapper, Chief Business Commentator and Associate Editor, Financial Times
- Vitor Gaspar, Director, Fiscal Affairs Department, IMF, and Chair of the EU Taxation of the Digital Economy Expert Group
- Michael Graetz, Wilbur H. Friedman Professor of Tax Law, Columbia Alumni Professor of Tax Law, Columbia Law School, New York
- Michael Keen, Deputy Director, Fiscal Affairs Department, IMF
- Indra Morris, Director General Tax and Welfare, HM Treasury
- Ann Nolan, Second Secretary General, Department of Finance, Ireland
- Paul Oosterhuis, Senior International Tax Partner, Skadden Arps LLP, Washington DC
- Charlotte Redcliffe, Director of Taxation, Centrica plc
- Wolfgang Schön, Managing Director, Max Planck Institute for Tax Law and Public Finance, Munich
- Jaap Tilstra, Policy Advisor, European Commission

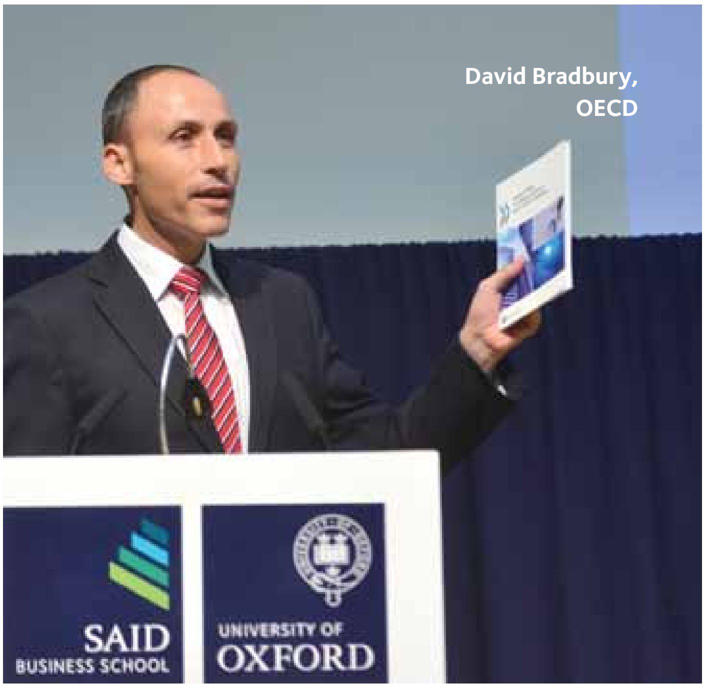
Right: Speakers at the 'Summer conference 2014: Tax competition and BEPS', Oxford, 2014

John Gapper,
Financial Times

Indra Morris,
HM Treasury

Dhammika Dharmapala,
University of Illinois

Charlotte Redcliffe,
Centrica plc



David Bradbury,
OECD

Michael Keen,
Fiscal Affairs
Department, IMF

Tax risk management: new approaches to tax compliance

The British Academy, London

May 2014

Globalisation, fiscal pressures and the complexity of the tax system present new challenges to revenue authorities and taxpayers in securing compliance with tax laws to collect the full amount due (but no more than is due). This must be done in the most cost efficient way, but at the same time treating taxpayers equally and as required by the law. Attention from the press, NGOs and the public is throwing a spotlight onto issues around revenue law enforcement and collection of tax due and the difficulties in balancing all these considerations are increasing.

The response from revenue authorities around the world to this problem of obtaining compliance in an efficient way with limited resources includes new approaches to risk rating and to co-operative working with taxpayers, together with a tightening of controls and enforcement where the risk is perceived to be high. At times the most efficient way forward might appear to be a settlement rather than litigation, but that needs to be handled with care. One question that may arise around tax collections is whether revenue authorities have at their disposal the range of methods they need to prevent certain behaviours and what the outcomes of different types of power are likely to be. Another issue is whether there is sufficient information in the public domain for interested commentators to judge whether outcomes are fair. Do the public and/or revenue authorities need more information than they currently have? Would it be helpful or otherwise to the revenue authority if transparency of taxpayers' tax affairs to the public were to increase?

Speakers at this conference discussed the sometimes difficult balancing act that is required between efficient resource allocation, equality of treatment, certainty and the rule of law in relation to all these matters.

Speakers included:

Joshua Blank, Professor of Tax Practice and Faculty Director of the Graduate Tax Program, New York University School of Law

Jason Collins, Partner and Head of Tax, Pinsent Masons LLP

Michael Devereux, Professor of Business Taxation and Director, Oxford University Centre for Business Taxation

David Edney, Senior Policy Specialist, HMRC Counter Avoidance Directorate

Judith Freedman, Pinsent Masons Professor of Tax Law and Director of Legal Research, Oxford University Centre for Business Taxation

Guy Hooper, Deputy Director Tax Assurance, HMRC

Paul Morton, Head of Group Tax, Reed Elsevier Group plc

Gary Richards, Partner, Berwin Leighton Paisner LLP

David Ulph, Professor of Economics, University of St Andrews and Director of the Scottish Institute for Research in Economics (SIRE)

John Vella, Senior Research Fellow, Oxford University Centre for Business Taxation

The bank levy: a review

Royal Society of Chemistry, London

February 2014

Thirteen EU Member States, including the UK, introduced a bank levy in response to the recent financial crisis. These taxes are novel both in terms of the regulatory objectives they pursue and in their design. This event explored the bank levies' performance over the first few years of their existence and looked ahead to their evolution.

In the first part of the event, Michael Devereux presented new research by the Centre which investigates the effects of these levies on banks' funding choices and their asset portfolio choices, and provides evidence on the extent to which they have been successful in their objective of making banks safer. Victoria Saporta, Head of the Prudential Policy Division of the Bank of England, commented on the research. In the second part, the discussion focused on the UK bank levy. Anthony Fawcett, Policy and Technical Adviser of HMRC, gave an overview of the recent consultation process on the UK levy and the proposed changes which are to be introduced in Finance Bill 2014. Richard Collier, Tax Partner of PricewaterhouseCoopers, provided a practitioner's perspective on the operation of the levy and the recent consultation, before broadening the discussion to the taxation of the financial sector more generally.

Speakers included:

Michael Devereux, Professor of Business Taxation and Director, Oxford University Centre for Business Taxation

Victoria Saporta, Head, Prudential Policy Division, Bank of England

Anthony Fawcett, Policy and Technical Adviser, HMRC

Richard Collier, Tax Partner, PricewaterhouseCoopers

Paul Morton, Reed Elsevier Group plc, speaking at the 'Tax risk management: new approaches to tax compliance' conference, London, May 2014

Panel discussion at the 'Tax risk management: new approaches to tax compliance' conference, London, May 2014. Left: Vanessa Houlder, Financial Times; Jason Collins, Pinsent Masons LLP; Guy Hooper, HMRC

Academic Symposium 2014,
Oxford, June 2014

Academic Conferences

Academic symposium 2014

Saïd Business School, Oxford

June 2014

The Centre hosted its eighth annual academic symposium in June 2014. As in previous years, we attracted the world's leading academics in business taxation for a three-day conference to discuss the most recent academic research in business taxation. Over 60 academics attended, with expertise in economics, law and accounting. Papers covered a wide variety of the Centre's interests.

Speakers included:

David Agrawal, University of Georgia

Rosanne Altshuler, Rutgers University

Johannes Becker, University of Münster

David Gamage, University of California, Berkeley

Jeffrey Hoopes, Ohio State University

Mitchell Kane, New York University

Li Liu, Oxford University Centre for Business Taxation

Joana Naritomi, Harvard University

Jacob Nussim, Bar-Ilan University

Joerg Paetzold, Salzburg University

Alex Raskolnikov, Columbia University

Daniel Reck, University of Michigan

Martin Ruf, University of Tübingen

Chris Sanchirico, University of Pennsylvania

Joel Slemrod, University of Michigan

Matthew Smith, OTA, US Treasury

Mazhar Waseem, University of Manchester

Alfons Weichenrieder, Goethe University Frankfurt

David Weisbach, University of Chicago

Jing Xing, Oxford University Centre for Business Taxation

Owen Zidar, University of California, Berkeley

Eric Zwick, Harvard University

A prize for the best paper by a young scholar, who has gained their PhD within the last three years, was awarded to Joana Naritomi (Harvard University) for her paper, 'Consumers as tax auditors'.

Taxing multinational firms

The Centre for European Economic Research (ZEW), Mannheim, Germany

November 2013

The Centre held a joint conference with ZEW Mannheim and the University of Mannheim in November.

Economic activities of multinational firms are becoming more and more complex and diverse, and national governments find it increasingly difficult to tax profits of multinational firms appropriately. In public debate, the view is widespread that multinational firms engage in tax avoidance. Many national governments, including those of Germany and the UK, have announced measures against 'aggressive' tax planning by multinational firms. The OECD is working on its BEPS (Base Erosion and Profit Shifting) project to reform the international allocation of taxable profit between countries.

This conference aimed to foster discussion on these issues by bringing together various research approaches to the taxation of multinational firms.

Speakers included:

Gregory Abate, OECD

Zvika Afik, Ben-Gurion University of the Negev

Celine Azemar, University of Glasgow

Christopher Balding, Peking University HSBC Business School

Johannes Becker, University of Münster

Katharina Becker, Federal Ministry of Finance

Sebastian Beer, WU Vienna University of Economics and Business

Lisa De Simone, Stanford Graduate School of Business

Michael Devereux, Oxford University Centre for Business Taxation

Lisa Evers, ZEW

Katharina Finke, ZEW

Clemens Fuest, President of ZEW

Jost Heckemeyer, University of Mannheim

Friedrich Heinemann, ZEW

Nils Herger, Study Center Gerzensee

Andreas Hoefele, Loughborough University

Carolin Holzmann, FAU Erlangen-Nuremberg

Harry Huizinga, Tilburg University

Sebastian Krautheim, Goethe University Frankfurt

Heinz-Klaus Kroppen, Partner at Deloitte

Yaron Lahav, Ben-Gurion University of the Negev

Dominika Langenmayr, University of Munich

Arjan Lejour, CPB Netherlands Bureau for Economic Policy Analysis

Giorgia Maffini, Oxford University Centre for Business Taxation

Mohammed Mardan, University of Munich

Andreas Oestreicher, University of Göttingen

Nadine Riedel, University of Hohenheim

Martin Ruf, University of Tübingen

Richard Sansing, Tuck School of Business at Dartmouth

Michael Schaden, Partner at Ernst & Young

Uwe Scheuering, ZEW

Ina Schlie, Head of Global Tax at SAP

Sebastian Siegloch, Institute for the Study of Labor (IZA)

Martin Simmler, DIW Berlin

Michael Stimmelmayr, University of Munich and CESifo

Robert Ullmann, University of Münster

Pia Vollert, University of Paderborn

Chistoph Watrin, University of Münster

Alfons J. Weichenrieder, Goethe University Frankfurt

Doctoral meeting 2013

Said Business School, Oxford

September 2013

The Centre for Business Taxation hosted its third Doctoral Meeting in September. The aim of the event was to provide a stimulating environment in which young scholars from around the world could discuss their research, establish informal networks and initiate future collaborations. Ten international doctoral students and young researchers came to Oxford to present their papers to their peers and members of the Centre. The work discussed in the meeting covered a wide range of issues of public economics and business taxation.

The Centre awarded a prize for the best paper, which went jointly to two recipients: to Nathan Seegert (University of Utah) for his paper, 'Dividend taxation and merger behavior: a new view explanation for the post-merger performance puzzle'; and to Eric Zwick (University of Harvard) for his paper, 'When do investment incentives matter?'.

Publications

Book chapters

de la Feria, R., 2014. EU VAT rate structure: towards unilateral convergence? In: F. Querol, ed. La réorientation européenne de la TVA. LGDJ, Presses de l'Université de Toulouse 1 Capitole.

de la Feria, R., 2013. Supplement 19. In: R. de la Feria, ed. A handbook of EU VAT legislation. Kluwer Law International.

Vella, J., 2014. Regulatory choice: observations on the recent experience with corrective taxes in the financial sector. In: W.G. Ringe and P.M. Huber, eds. Legal challenges in the global financial crisis: bail-outs, the Euro and regulation. Oxford: Hart Publishing.

Vella, J., 2013. Sham, tax avoidance and a 'realistic view of facts'. In: E. Simpson and M. Stewart, eds. Sham transactions. Oxford University Press.

Journal articles

Bilicka, K. and Fuest, C., 2014. With which countries do tax havens share information? International Tax and Public Finance, 21(2), pp.175-197.

de la Feria, R. and Silva Costa, M., 2014. O impacto de Ocean Finance no conceito de abuso de direito para efeitos de IVA. Revista de Finanças Públicas e Direito Fiscal, 6(3), pp.321-348.

de la Feria, R. and Carvalho, A., 2013. Entre Daimler e Welmory: O conceito de estabelecimento estável para efeitos de IVA. Revista de Finanças Públicas e Direito Fiscal, 6(2), pp.193-216.

Devereux, M.P., Liu, L. and Loretz, S., 2014. The elasticity of corporate taxable income: new evidence from UK tax records. American Economic Journal: Economic Policy, 6(2), pp.19-53.

Devereux, M.P. and Loretz, S., 2013. What do we know about corporate tax competition? National Tax Journal, 66(3), pp.745-773.

Dischinger, M., Knoll, B. and Riedel, N., 2014. The role of headquarters in multinational profit shifting strategies. International Tax and Public Finance, 21(2), pp.248-271.

Dischinger, M., Knoll, B. and Riedel, N., 2014. There's no place like home: the profitability gap between headquarters and their foreign subsidiaries. Journal of Economics and Management Strategy, 23(2), pp.369-395.

Englisch, J. and Yevgenyeva, A., 2013. The 'upgraded' strategy against harmful tax practices under the BEPS Action Plan. British Tax Review, 5, pp.620-637.

Ernst, C., Richter, K. and Riedel, N., 2014. Corporate taxation and the quality of research and development. International Tax and Public Finance, 21(4), pp. 694-719.

Freedman, J., 2014. Designing a General Anti-Abuse Rule: striking a balance. Asia-Pacific Tax Bulletin, 20(3), pp.167-173.

Freedman, J. and Loutzenhiser, G., 2014. Case notes: Samadian v HMRC: deductibility of travel expenses when working from home. British Tax Review, 3, pp.248-255.

Freedman, J., 2013. Creating new UK institutions for tax governance and policy making: progress or confusion? British Tax Review, 4, pp.373-381.

Koh, H. and Riedel, N., 2014. Assessing the localization pattern of German manufacturing and service industries: a distance-based approach. Regional Studies, 48(5), pp.823-843.

Liu, L., 2014. Income taxation and business incorporation: evidence from the early twentieth century. National Tax Journal, 67(2), pp.387-418.

Liu, L. and Harper, A., 2013. Temporary increase in annual investment allowance: a 2013 Finance Act note. British Tax Review, 4, pp.385-394.

Loretz, S. and Moore, P.J., 2013. Corporate tax competition between firms. International Tax and Public Finance, 20(5), pp.725-752.

Niepmann, F. and Schmidt-Eisenlohr, T., 2013. Bank bailouts, international linkages, and cooperation. American Economic Journal: Economic Policy, 5(4), pp.270-305.

Other articles and publications

Bond, S., 2014. Business tax incentives. In: L. Bauger, ed. The use of tax expenditures in times of fiscal consolidation. European Economy. Economic Papers 523, July 2014. Brussels.

Neumark, D. and Simpson, H., 2014. Place-based policies. NBER Working Paper, No. 20049, April 2014.

Policy papers

Freedman, J., 2013. Creating new UK institutions for tax governance and policy making: progress or confusion? British Tax Review, Issue 4, 2013.

Reports

Freedman, J., Ng, F. and Vella, J., 2014. HMRC's relationship with business. Draft report 19 June 2014.

At a conference on 'Tax risk management: new approaches to tax compliance' on 15 May 2014, the Oxford University Centre for Business Taxation presented selected results from a survey on the relationship between HMRC and business. The report, written by researchers Judith Freedman, Francis Ng and John Vella, details the responses to a 2013 survey on the relationship between HMRC and businesses sent to around 1,800 companies with thirty follow up face-to-face interviews. The survey follows on from a previous survey conducted by two of the three researchers in 2008 (Freedman, J., Loomer, G. and Vella, J., 2009. Corporate tax risk and tax avoidance: new approaches. British Tax Review, 1, pp.74-116). The 2013 survey covered co-operative compliance issues including the risk rating process and relationships with HMRC staff as well as dealings with tax disputes and the Litigation and Settlements Strategy.

Working Papers

WP 13/06

Taxation and corporate debt: are banks any different?

Josh Heckemeyer and Ruud de Mooij

WP 13/07

Do transfer pricing laws limit international income shifting? Evidence from European multinationals

Theresa Lohse and Nadine Riedel

WP 13/08

Should tax policy favour high or low productivity firms?

Christian J. Bauer, Andreas Haufler and Dominika Langenmayr

WP 13/09

How should financial intermediation services be taxed?

Ben Lockwood

WP 13/10

Cross-border loss offset can fuel tax competition

Andreas Haufler and Mohammed Marden

WP 13/11

Consumption and cash-flow taxes in an international setting

Alan J. Auerbach and Michael P. Devereux

WP 13/12

Temporary increase in annual investment allowance

Li Liu and Andrew Harper

WP 13/13

The elasticity of taxable income and income-shifting between tax bases: what is 'real' and what is not?

Jarkko Harju and Tuomas Matikka

WP 13/14

The effect of awareness and incentives on tax evasion

Annette Alstadsæter and Martin Jacob

WP 13/15

CFC legislation, passive assets and the impact of the ECJ's Cadbury-Schweppes decision

Martin Ruf and Alfons J. Weichenrieder

WP 13/16

Taxation and corporate risk-taking

Dominika Langenmayr and Rebecca Lesterz

WP 13/17

The investment effect of taxation: evidence from a corporate tax kink

Anne Brockmeyer

WP 13/18

And yet it moves: taxation and labour mobility in the 21st century

Reuven S. Avi-Yonah

WP 13/19

Learning and international policy diffusion: the case of corporate tax policy

Johannes Becker and Ronald B. Davies

WP 13/20

Do the haves come out ahead in tax litigation? An empirical study of the dynamics of tax appeals in the uk

Michael Blackwell

WP 13/21

Reforming an asymmetric union: on the virtues of dual tier capital taxation

Andreas Haufler and Christoph Lülfesmann

WP 13/22

Capital tax reform and the real economy: the effects of the 2003 dividend tax cut

Danny Yagan

WP 13/23

Thin capitalization rules and multinational firm capital structure

Jennifer Blouin, Harry Huizinga, Luc Laeven, Gaëtan Nicodème

WP 13/24

Debt and tax losses: the effect of tax asymmetries on the cost of capital and capital structure

Matt Krzepkowski

WP 13/25

Can taxes tame the banks? Evidence from European bank levies

Michael P. Devereux, Niels Johannesen and John Vella

WP 14/01

Multiple taxes and alternative forms of FDI: evidence from cross-border acquisitions

Nils Hergery, Christos Kotsogiannisz, and Steve McCorriston

WP 14/02

The occurrence of tax amnesties: theory and evidence

Ralph-C. Bayer, Harald Oberhofer and Hannes Winner

WP 14/03

The foreign investment effects of tax treaties

Arjan Lejour

WP 14/04

The CCCTB option – an experimental study

Claudia Keser, Gerrit Kimpel and Andreas Oestreicher

WP 14/05

The dynamic economic effects of a US corporate income tax rate reduction

John W. Diamond and George R. Zodrow

WP 14/06

The efficiency of 'benefit-related' business taxes

Elisabeth Gugl and George R. Zodrow

WP 14/07

Defining and implementing a destination-based corporate tax

Michael P. Devereux and Rita de la Feria

WP 14/08

Taxing multinationals in the presence of internal capital markets

Marko Koethenbuerger and Michael Stimmelmayr

WP 14/09

A negotiation-based model of tax-induced transfer pricing

Johannes Becker and Ronald B. Davies

WP 14/10

Place-based policies

David Neumark and Helen Simpson

WP 14/11

US supreme court unanimously chooses substance over form in foreign tax credit

Charles E. McLure, Jack Mintz and George R. Zodrow

WP 14/12

Heterogeneous responses to effective tax enforcement: evidence from Spanish firms

Miguel Almunia and David Lopez Rodriguez

External Presentations *by Centre staff*

Conferences

- 15th Annual Conference of The Association for Public Economic Theory (APET), University of Washington, USA
- 17th Cross Atlantic and European Tax Symposium, London, UK
- 18th General Assembly of the Intra-European Organisation of Tax Administrations (IOTA): 'Facilitating Tax Compliance, Tackling Non-Compliance', Belgrade, Serbia
- 1st Annual Strathmore International Tax Law Conference, Strathmore University, Kenya
- 2014 Public Economics UK (PEUK) Conference, University of Bristol, UK
- 2nd Max Planck European Postdoctoral Conference on Tax Law, Max Planck Institute for Tax Law and Public Finance, Germany
- 67th IFA Congress, Copenhagen, Denmark
- 69th Annual Congress of the International Institute of Public Finance (IIPF): 'The Role of the State in Growth and Development', Taormina, Sicily
- Amsterdam Centre for Tax Law Conference: 'Issues and Challenges Concerning the Introduction of a Financial Transaction Tax in the European Union', Madrid, Spain
- Annual Congress 2013 of the Verein für Socialpolitik: 'Competition Policy and Regulation in a Global Economic Order', Heinrich Heine University Düsseldorf, Germany
- Beeronomics 2013 Conference: 'The Economics of Beer and Brewing', University of York, UK
- Bingham Centre For The Rule Of Law Conference: 'Do Our Tax Systems Meet Rule of Law Standards?', London, UK
- Conference for the Handbook of Regional and Urban Economics, Toronto, Canada
- Economic Policy Research Network Conference, University of Copenhagen, Denmark
- ERA Annual Conference on European VAT Law 2013, Trier, Germany
- ETPF/IFS Conference: 'International Taxation: Base Erosion, Profit Shifting and Distortions to Real Activity', London, UK
- Institute for Austrian and International Tax Law Vienna in cooperation with the Doctoral Program for International Business Taxation and the WU Global Tax Policy Center
- Conference: 'General Anti-Avoidance Rules (GAARs) – A Key Element of Tax Systems in the Post-BEPS Tax World?', Rust (Burgenland), Austria
- International Network for Tax Research Interdisciplinary Conference: 'Base Erosion and Profit Shifting: A Roadmap for Reform', Max Planck Institute for Tax Law and Public Finance, Germany
- International VAT Conference, Munich, Germany
- Italian Society of Public Finance (SIEP) Annual Conference, Pavia, Italy
- Landmark Decisions in Direct Tax Jurisprudence, University of Luxembourg, Luxembourg
- Oxford Law Faculty Conference: 'The Jurisprudence of Lord Hoffmann', University of Oxford, UK
- Oxford University Centre for Business Taxation Conference: 'Tax Risk Management: New Approaches to Tax Compliance', London, UK.
- SDG ECFIN Annual Research Conference 2013: 'Forward to a New Normal: The Redesign of EMU in a Global Perspective', Brussels, Belgium
- Social & Legal Studies and the Institute of Advanced Studies Interdisciplinary Tax Colloquium: 'The Political Power of Tax Complexity', University of Birmingham, UK
- Society of Legal Scholars Annual Conference 2013, University of Edinburgh, Scotland
- SORAINEN Conference: 'Tax Disputes in Practice', Riga, Latvia
- Tax Legislation: Legal Standards, Trends, Challenges, Centre of Tax Documentation and Studies of the University of Lodz, Poland
- Tax Policy and the Activities of Multinational Firms Conference, University of Tübingen, Germany
- ZEW Mannheim, University of Mannheim and Oxford University Centre for Business Taxation Joint Conference: 'Taxing Multinational Firms', Centre for European Economic Research (ZEW), Germany

Workshops, seminars and other presentations

- 4th EIASM Workshop on Current Research in Taxation, University of Münster, Germany
- AHRC FinCris Workshop, University of Birmingham, UK
- Anual Seminario de Colegio de Contadores en México Distrito Federal, Miami, USA
- Applied Economics, Public Policy and Econometrics Seminar, University of Warwick, UK
- Bristol-Bath Applied Micro Workshop, University of Bath, UK
- Colloquium Seminar, Center of Public Economics, TU Dresden, Germany
- Department of Economics Seminar Series, University of Ancona, Italy
- Dutch Ministry of Finance Guest Presentation, Utrecht, Netherlands
- ECFIN Taxation Workshop, European Commission, Belgium
- ESRC Centre for the Microeconomic Analysis of Public Policy at IFS and CIOT Lecture, The Royal Society of Arts, UK
- ETPF Business Meeting, London, UK
- FAD Workshop, IMF Headquarters, USA
- FAME Seminar, Saïd Business School, University of Oxford, UK
- FZID Lecture Series Research Seminar, Faculty of Business, Economics and Social Sciences, University of Hohenheim, Germany
- HM Treasury Policy Presentation, London, UK
- HMRC KAI Presentation, London, UK
- HMRC Presentation, London, UK
- HMRC Seminar, London, UK
- Hong Kong University Faculty of Law Taxation Law Research Programme (TLRP) Special Lecture Series and the Asian Institute of International Financial Law (AIIFL), University of Hong Kong, Hong Kong
- Institute of Economics (IdEP) Seminar, Università della Svizzera italiana (USI), Italy
- Joint Executive Training Seminar between the Academy of Global Governance and the WU Global Tax Policy Center at the Institute for Austrian and International Tax Law, WU (Vienna University of Economics and Business), Austria
- Le Conseil d'Analyse Économique Seminar, Paris, France
- Lisbon International and European Tax Law Seminars, University of Lisbon, Portugal
- Münster Advanced Summer Course on VAT, University of Münster, Germany
- OFS Workshop, University of Oslo, Norway
- Oxfam House Seminar, Oxford, UK
- Research Colloquium in Finance, Accounting, and Taxes, University of Göttingen, Germany
- Research Seminar, Imperial College Business School, London, UK
- Seminar, Norwegian Tax Commission (Scheel Commission), Norway
- Seminar, Bulgarian National Institute of Justice, Bulgaria
- Spatial Economics Research Centre Urban and Regional Economics Seminar, LSE, London, UK
- UCL Faculty of Law Guest Seminar, London, UK

Countries and institutions visited

Through the year, the Centre's staff have travelled globally, speaking at a number of conferences and giving presentations and seminars at a wide range of institutions, a list of which appears below.

- Austria – Rust (Burgenland); WU (Vienna University of Economics and Business)
- Belgium – Brussels; European Commission
- Bulgaria – National Institute of Justice, Sofia
- Canada – Toronto
- China – University of Hong Kong
- Denmark – Copenhagen; University of Copenhagen
- France – Le Conseil d'Analyse Économique, Paris
- Germany – Centre for European Economic Research (ZEW), Mannheim; Heinrich Heine University Düsseldorf; Max Planck Institute for Tax Law and Public Finance, Munich; Munich; Trier; TU Dresden; University of Göttingen; University of Hohenheim; University of Münster; University of Tübingen
- Italy – Pavia; Università della Svizzera italiana (USI); University of Ancona
- Kenya – Strathmore University
- Latvia – Riga
- Luxembourg – University of Luxembourg
- Netherlands – Dutch Ministry of Finance, Utrecht
- Norway – Norwegian Tax Commission (Scheel Commission), Oslo; University of Oslo
- Poland – Centre of Tax Documentation and Studies of the University of Lodz
- Portugal – University of Lisbon
- Serbia – Belgrade
- Sicily – Taormina
- Spain – Madrid
- UK – HM Revenue and Customs; HM Treasury; Imperial College London; Oxfam House; The London School of Economics and Political Science; The Royal Society of Arts; University College London; University of Bath; University of Birmingham; University of Bristol; University of Edinburgh; University of Oxford; University of Warwick; University of York
- USA – IMF Headquarters, Washington DC; Miami; University of Washington, Seattle

Speakers at the 'Summer conference 2014: Tax competition and BEPS', Oxford, June 2014. Left: Paul Oosterhuis, Skadden Arps LLP; Wolfgang Schön, Max Planck Institute for Tax Law and Public Finance; Jaap Tilstra, European Commission

Speakers at the 'Summer conference 2014: Tax competition and BEPS' , Oxford, June 2014. Left: Alan Auerbach, University of California, Berkeley; Michael Graetz, Columbia Law School, New York

Academic Seminars: External Speakers

Dr Johannes Abeler, University of Oxford

Complex tax incentives – an experimental investigation

Professor Miguel Almunia, University of Warwick

Firms' responses to tax enforcement strategies: evidence from a panel of Spanish firms

Professor Sascha Becker, University of Warwick

The impact of public employment: evidence from Bonn

Professor Joshua D. Blank, New York University

Collateral compliance

Professor Robert S. Chirinko, University of Illinois at Chicago

Job creation tax credits and job growth: evidence from US States

Dr Jan-Emmanuel De Neve, University College London

Eliciting taxpayer preferences increases tax compliance

Dr Nadja Dwenger, Max Planck Institute for Tax Law and Public Finance

Economic vs. social incentives in tax compliance: evidence from a field experiment in Germany

Professor Robert J. Peroni, The University of Texas at Austin

Formulary apportionment in the U.S. international income tax system: putting lipstick on a pig?

Professor Panu Poutvaara, Ifo Center for International Institutional Comparisons and Migration Research

International migration of couples

Professor Edoardo Traversa, Université catholique de Louvain

In search of European tax principles between the EU economic constitution and the member states' Finanzverfassung: some preliminary thoughts and methodological obstacles

Panel discussion at the 'Tax risk management: new approaches to tax compliance' conference, London, May 2014. Left: Paul Morton, Reed Elsevier Group plc; David Ulph, University of St Andrews; Joshua Blank, New York University School of Law; Judith Freedman, Oxford University Centre for Business Taxation; David Edney, HMRC Counter Avoidance Directorate; Gary Richards, Berwin Leighton Paisner LLP

Professor Joel Slemrod, University of Michigan

Visitors

Professor Joel Slemrod

July 2014 – December 2014

Joel Slemrod is the Paul W. McCracken Collegiate Professor of Business Economics and Public Policy and Professor of Economics at the University of Michigan. He studies and writes about tax policy. In 1984-5 he was senior staff economist at the President's Council of Economic Advisers, and has been a consultant to the U.S. Department of the Treasury, the Canadian Department of Finance, the New Zealand Department of Treasury, the South African Ministry of Finance, the World Bank, the OECD, and several corporations. From 1992 to 1998, he was editor of the National Tax Journal and was co-editor of the Journal of Public Economics from 2006 to 2010. He is co-author with Leonard E. Burman of 'Taxes in America: What Everyone Needs to Know,' published in 2012, co-author with Jon Bakija of 'Taxing Ourselves: A Citizen's Guide to the Great Debate over Taxes,' and co-author with Christian Gillitzer of 'Tax Systems', published in 2014. In 2012 he was the recipient of the Daniel M. Holland Medal, presented by the National Tax Association for outstanding lifetime contributions to the study and practice of public finance.

Dr Valeria Bucci

June 2014 – July 2014

Valeria Bucci is a post-doctoral researcher in Public Economics in University of Salento (Italy). Her main research is focused on corporate taxation, in particular on the empirical analysis of the effects of the tax system on companies' accounting, financing and real decisions. In order to compute a very accurate proxy for the fiscal effect, she has developed a microsimulation model to simulate the company-specific marginal tax rates, following the Graham–Shevlin methodology (Graham, 1996, 1999; Shevlin, 1990). She is also working on a project on the effects of the structure of tax system on OECD Countries' economic growth. The main contribution to the existing literature is the development and use of a new series of fiscal variables, the implicit tax rates, calculated according to the methodology developed by Mendoza et al. (1997).

Ms Angelika Meindl

May 2014 – June 2014

Angelika Meindl is a doctoral candidate and research associate at the Max Planck Institute for Tax Law and Public Finance in Munich. She studied law at the University of Regensburg, Université Paris X Nanterre and LMU Munich. Angelika is currently writing her PhD thesis on beneficial ownership in international taxation. She undertook research on the UK part of her thesis during her visit to the Centre for Business Taxation, and has previously done research on her thesis at the Ross Parsons Centre of Commercial, Corporate and Taxation Law at Sydney Law School and while completing her LLM at Columbia Law School, New York.

Ms Carmel Said Formosa

April 2014 – June 2014

Carmel Said Formosa is a PhD researcher at WU (Vienna University of Economics and Business). She has a Master's Degree in Financial Services (2008), an Advanced Diploma in International Taxation, CIOT (2012), and a Diploma in Indirect Tax (2011). She studied Management and Accounts at the University of Malta earning a Bachelor of Honors Degree in Accountancy in 2001. In the past she has worked as a tax consultant with various law firms in Malta, specialising in international taxation, and in 2009 became a full-time assistant lecturer at the University of Malta within the Department of Accountancy, Faculty of Economics, Management and Accountancy. Since September 2012 she has been studying for her doctorate degree in the DIBT Programme at WU and has travelled to a number of conferences to present her work. Carmel's main area of research is transaction taxes. She also has a keen interest in the impact that changes in tax policy may have on small island states such as Malta.

Mr Agustin Redonda

February 2014 – March 2014

Agustin Redonda is a doctoral candidate and a research and teaching assistant at the Institute of Economics (IdEP) at the University of Lugano (USI). His research is mainly focused on public economics, particularly on tax-related issues such as tax incidence and tax competition. He obtained a Bachelor degree in economics at the Universidad de Buenos Aires (UBA) and completed his postgraduate studies in Paris, undertaking two masters in international and development economics at University Paris I – Panthéon Sorbonne and Université Paris-Est Créteil. Whilst in Paris, he spent almost three years at the OECD, first as an intern and afterwards as a consultant. Agustin started his PhD in economics at the University of Lugano (USI) in 2010. As part of the PhD programme, he has completed the Swiss Programme for Beginning Doctoral Students in Economics, which is organised and financed by the Swiss National Bank. He is also part of several projects and networks such as the Swiss Public Administration Network (SPAN) and The Swiss Confederation: A Natural Laboratory for Research on Fiscal and Political Decentralisation.

Speakers at the 'Summer conference 2014: Tax competition and BEPS', Oxford, June 2014. Left: Vitor Gaspar, Fiscal Affairs Department, IMF; Ann Nolan, Department of Finance, Ireland; Jaap Tilstra, European Commission

Participants at the 'Summer conference 2014: Tax competition and BEPS', Oxford, June 2014. Left: Richard Collier, PwC; Peter Merrill, PwC

Research Staff

Director

Professor Michael Devereux

Michael Devereux is Director of the Oxford University Centre for Business Taxation, Professor of Business Taxation and Professorial Fellow at Oriel College, Oxford. He is Research Director of the European Tax Policy Forum, and Research Fellow of the Centre for Economic Policy Research and CESifo. He is President of the International Institute for Public Finance, assistant editor of the British Tax Review and is a member of the Editorial Board of the World Tax Journal. Professor Devereux is a member of the Business Forum on Tax and Competitiveness, chaired by the Exchequer Secretary, and in 2014 was a member of the European Commission High Level Expert Group on Taxation of the Digital Economy.

Director of legal research

Professor Judith Freedman, CBE

Judith Freedman is Director of Legal Research of the Oxford University Centre for Business Taxation, Pinsent Masons Professor of Taxation Law, University of Oxford, and Fellow of Worcester College, Oxford. She was a member of the Aaronson General Anti-avoidance Rule Study Group and has served on many other governmental and other policy committees. She is a member of the Council of the Institute for Fiscal Studies (IFS) and the IFS Tax Law Review Committee. Judith is a visiting Adjunct Professor in the Australian School of Taxation and Business Law, University of New South Wales. She is general editor of the British Tax Review as well as being on the editorial boards of the Modern Law Review, the eJournal of Tax Research, The Canadian Tax Journal, The Australian Tax Review and The Tax Journal. She is also on the editorial advisory panel of the Journal of Tax Administration. Currently, she is Chair of the Addington Society. Judith was appointed a CBE in the 2013 New Year's Honours List.

Programme directors

Professor Wiji Arulampalam

Wiji Arulampalam is Professor of Economics at the University of Warwick. She is also a Research Fellow at IZA, Institute for the Study of Labor, Bonn, Germany. She is a member of the editorial board of Foundations and Trends in Econometrics.

Professor Stephen Bond

Stephen Bond is Senior Research Fellow at Nuffield College, and a Visiting Professor in the Department of Economics, University of Oxford.

Professor Rita de la Feria

Rita de la Feria is Professor of Tax Law at Durham University. She holds a law degree from the University of Lisbon, having specialised in economic law, and began her professional career as a tax consultant with Arthur Andersen, working in both their Lisbon and Dublin offices. She completed her PhD on EU VAT harmonisation at the Law School of the University of Dublin, Trinity College in 2006. Prior to joining Durham Law School, she worked as Senior Research Fellow at the Centre, and before that held lecturing positions at both Trinity College, Dublin and Queen's University Belfast. She has held visiting positions at New York University, Law School (2008); ATAX, University of New South Wales, Sydney (2009); Católica Global School of Law (2010-); Muenster University (2012-); and Leiden University (2014-).

She is a member of the International Fiscal Association (IFA), of the Scientific Board of the MaTax, Tax Research Centre, Germany, and of the Academic Council of the European Association of Tax Law Professors (EATLP). She is also on the editorial board of the British Tax Review (2008-); and Australian GST Journal (2013-), and is correspondent for Highlights & Insights on European Taxation, Revista de Finanças Públicas e Direito Fiscal and the World Journal of VAT/GST.

Professor Clemens Fuest

Clemens Fuest is President and Director of Science and Research of the Centre for European Economic Research (ZEW) in Mannheim. As ZEW President, he is also a Professor of Economics at the University of Mannheim. He is a Research Fellow of CESifo and IZA and is a member of the Academic Advisory Board of the German Federal Ministry of Finance and of the Academic Advisory Board of Ernst and Young AG, Germany. He has a PhD in economics from the University of Cologne. Clemens was Professor of Business Taxation at Saïd Business School, University of Oxford, and Research Director of the Oxford University Centre for Business Taxation from 2008 until the end of February 2013. Prior to Oxford, he was a lecturer at the University of Munich and a professor of economics at the University of Cologne.

Professor Ben Lockwood

Ben Lockwood is Professor of Economics at the University of Warwick. He is a Research Fellow of CEPR and CESifo, and a member of the editorial boards of The Economic Journal, International Tax and Public Finance, and the Journal of Macroeconomics. He has acted as a consultant on tax policy for the IMF and PwC. He is on the Board of Management of the International Institute of Public Finance.

Dr Helen Simpson

Helen Simpson is a Reader in Economics and a member of the Centre for Market and Public Organisation at the University of Bristol. She is an Associate Editor of the Journal of the European Economic Association.

Senior research fellows

Dr John Vella

John Vella is a Senior Research Fellow at the Oxford University Centre for Business Taxation and a member of the Faculty of Law at Oxford. John studied law at the University of Malta (BA and LLD) and the University of Cambridge (LLM and PhD). He was previously Norton Rose Career Development Fellow in Company Law at Oxford. John has been a Program Affiliate Scholar at New York University and a co-arbitrator in a tax dispute before the ICC International Court of Arbitration. He is currently Convenor of the Tax Section of the UK Society of Legal Scholars and a member of the editorial board of the Journal of Tax Administration. His recent research has focused on financial sector taxation (on which he has given expert evidence before UK Parliamentary Committees on a number of occasions), the taxation of multinationals, and tax compliance and administration.

Dr Giorgia Maffini

Giorgia Maffini is a Leverhulme Trust Fellow at the Oxford University Centre for Business Taxation. She has been a Research Fellow at the Centre since 2006 and in 2013 she was awarded awarded a Leverhulme Trust Fellowship to pursue her research on the effects of taxes on business behaviour. Her current research focuses on the effect of the tax system on corporate investment and on the capital structure of the firm and on the taxation of the financial sector.

Since May 2010, she has been a Visiting Lecturer at the Department of Policy Analysis and Public Management, Bocconi University, Italy, where she teaches Business Law and Public Finance. Previously Giorgia was an Economist at the Centre for Tax Policy and Administration (CTPA) of the Organization for Economic Cooperation and Development (OECD) in Paris (2004-2005).

Giorgia holds a PhD in Economics from the University of Warwick; a PhD in Public Finance from the University of Pavia, Italy; a Masters in Economics from University College of London; and an undergraduate degree in Economics and Social Sciences from Bocconi University, Milan, Italy (summa cum laude).

Giorgia's research has been published in leading academic journals, policy papers, and book chapters. She has received media coverage from The New York Times, The Guardian, Business Week, Les Echos and Il Sole 24 Ore. She is a member of the International Institute of Public Finance (IIPF) and of the International Fiscal Association (IFA).

Research fellows

Katarzyna Bilicka

Katarzyna Bilicka is a DPhil student in Economics at the University of Oxford. She joined the Centre as a Research Fellow in October 2010. Previously she studied BSc Mathematics and Economics at the University of Warwick, and continued with her studies to obtain an MSc in Economics and International Financial Economics in 2010. At the Centre she conducts research on various topics related to business taxation and fiscal policy. She is also responsible for the maintenance and development of the CBT Tax Database.

Dr Li Liu

Li Liu is a Research Fellow at the Oxford University Centre for Business Taxation. Her research focuses on public economics, in particular corporate taxation and finance. Her current research addresses the economic and welfare implication of corporation taxes on business behaviour including small business incorporation and investment, international taxation and UK multinational investment, and the overall social costs of corporation tax.

Dr Jing Xing

Jing Xing joined the Centre as a Research Fellow in 2011 after she completed her DPhil in Economics at the University of Oxford. She received her BA from the Guanghua School of Management of Peking University in 2005, her MSc from the City University of Hong Kong in 2006, and her MPhil from the University of Oxford in 2008.

Jing has conducted research on topics such as the relationship between tax structure and economic growth, and how corporate tax incentives affect firms' investment and financing behaviours. She takes up a position as Assistant Professor at the Shanghai Jiao Tong University (Antai College of Economics and Management) in August 2014.

Dr Anzhela Yevgenyeva

Anzhela Yevgenyeva joined the Oxford University Centre for Business Taxation in 2012 as a Research Fellow. She conducts research on various aspects of taxation and EU law with a particular interest in the intersection of these two fields. Anzhela lectures on tax law issues for postgraduate students at the University of Oxford and the Queen Mary University of London, and she also teaches EU Law for undergraduate students at Trinity College, Oxford. She is the Managing Editor of the looseleaf encyclopedia D. Vaughan and A. Robertson (eds.), The Law of the EU (Oxford University Press), and one of the convenors of the Oxford EU Law Discussion Group and CBT Tax Research Seminar Series.

Anzhela was awarded a doctoral degree in law by the University of Oxford, where she had previously completed her masters in law (distinction). She also holds a BA and MA in law (honours) from the Law School of Kyiv-Mohyla Academy in Ukraine. Anzhela's doctoral thesis on direct taxation and the internal market was granted an Honourable Mention in the competition for the Mitchell B. Carroll Prize by the International Fiscal Association. Her expert opinion was cited by HM Treasury in a report that considers what EU membership means for the UK and taxation, which was published as part of the UK government's Balance of Competences Review.

DPhil scholars

Irem Guceri

Irem Guceri received her BA in Economics from Koc University in Istanbul and her MSc in Economics at LSE. She then worked at the World Bank in the Europe and Central Asia region, Financial and Private Sector Development unit as an economist on policies related to R&D and technology adoption, corporate taxation, state aid, small and medium sized enterprises and exports. She holds an MPhil in Economics from the University of Oxford, where she is completing her DPhil. She is college lecturer for St Catherine's and St Peter's Colleges, teaching Microeconomics, Econometrics and Quantitative Economics. Her DPhil research focuses on corporate taxation in R&D-intensive sectors and productivity.

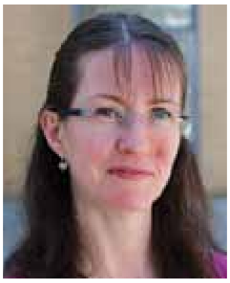
Germán Vera Concha

Germán Vera Concha is a DPhil student in the Department of Economics at the University of Oxford. He has a degree in Industrial Engineering and a diploma in Chemical Engineering from the Pontificia Universidad Católica de Chile, as well as an MBA and an MPhil in Economics from the University of Oxford. In the past he has worked managing investments for both private and non-profit clients, as well as directing a company in the maritime industry in Chile. His doctoral research analyses how taxation decisions affect production and investment in the natural resources industry. More specifically, his current research focuses on the role of fiscal capacity in deciding the taxation regime for natural resources in a given jurisdiction.

Richard Wild

Rick Wild is a doctoral student of international relations. His research focuses on the role of small states in the global economy. He is investigating the political process that led to the OECD's Base Erosion and Profit Shifting project, and how small states have played into this process since the early 1990s.

Administrative staff



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Audience at the 'Summer conference 2014: Tax competition and BEPS', Oxford, June 2014.

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Financial Support

The Centre receives financial support from a number of sources.

Economic and Social Research Council

The Centre gratefully acknowledges the significant funding it receives from the Economic and Social Research Council (ESRC).

The Centre was awarded a grant to run for three years from October 2013. This grant is to investigate "The effects of business taxation on economic and social welfare: new insights from tax return data" (ES/L000016/1).

Previous grants:

- Business, Taxation and Welfare
  Ref: RES-060-25-0033
- Company births and deaths: investigating the role of taxation
  Ref: RES-194-23-0012

Other funding

- Leverhulme Trust
  Research Fellow Giorgia Maffini was awarded a prestigious Leverhulme Trust Early Career Fellowship tenable for 36 months from autumn 2013 to conduct research on "Business taxation and corporate behaviour: evidence from EU administrative data".
- John Fell Oxford University Press (OUP) Research Fund
  Research Fellows Giorgia Maffini and Li Liu were successfully awarded research funds.
- Nuffield Foundation
  The Centre has recently been awarded a grant to support research into fundamental tax reform entitled "Designing a Business Profit Tax Fit for the 21st Century".

Project specific funding

Occasionally, the Centre accepts commissions to carry out independent academic research.

Donations from companies

The Centre for Business Taxation was founded using generous funding from companies from the Hundred Group. Other companies have subsequently also offered us their support. The Centre is grateful for this financial support, which continues and which is vital to support the work of the Centre. Decisions on the Centre's research programme and the content of research are taken independently of the views of the Centre's donors and other funding agencies and comply with the University's Donor Charter http://www.campaign.ox.ac.uk/contribute/recognising_your_gift/donor_charter.html . All research carried out at the Centre is undertaken with a view to publication. Companies who currently support the Centre:

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