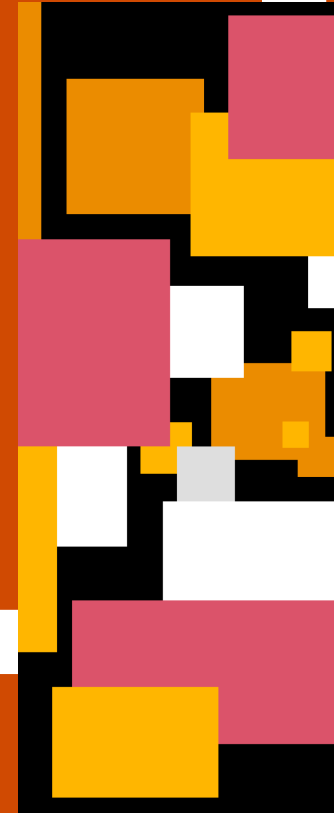


Taxing the Intelligent Economy Cooperatively, Inclusively and Sustainably

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The Relevance of International Tax Regime in the current hyper connected World

- Each country adopts own regime, & then resolves differences?
- Recent OECD BEPS initiative to form consensus views - current, evolving issues and challenges.
- Original international tax rules were developed based on tax systems from a very different time.
- Does ‘old’ taxation models benefitted both the home countries where value was created through R&D and development of IP, & countries with ultimate sales and/or production ?
- There is no longer a need for a physical presence for many types of business.
- Need to understand how value is created in digitalised business models.
- To reach a consensus view, robust discussion with stakeholders, as various interests are not always aligned.
- Impact from any resulting changes with lack of simultaneous changes to business.
- Any temporary measure be enacted when a sunset clause is provided.

The importance that technological development

- Data & tools evolving with emergence of AI - extreme impact on business and personal financial information is recorded, reported, exchanged and utilized.
- The more business can automate systems front to end, the less opportunity for errors and less time and cost in administration.
- Revenue authorities bring administration process online to better collect, match and share information automatically and electronically.

The issue of “Robot Taxation”

- Main premise is to deal with the “anticipated” problem of machines replacing workers.
- Fundamentally, robot tax is an additional tax to be placed on companies that are replacing human employees with machines.
- Those advocating use of Robot taxes, try to find ways to deal with issue of declining opportunities for workforce & ways the robot tax could be used.
- But realistically, how would such a plan be implemented?
- Argument having less employees will significantly impact the ability for a country to collect tax revenue is at best highly misleading?
- Will robots and robot technology (without taxation) could potentially even help countries earn more tax revenue?
- The issue of what to do with displaced employees. Countries must find ways to retrain employees and find alternative employment opportunities.
- It is a much more complicated analysis. it is something that countries need to deal with – but not sure that taxing robots is the answer. Why?
- We should not prevent future technological innovation.

Thank you

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