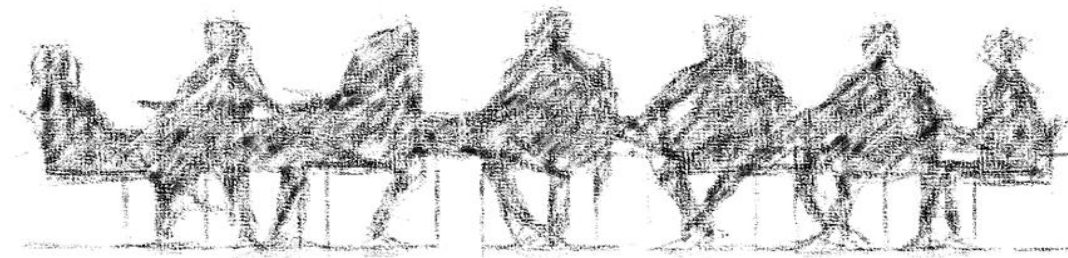


Global Tax Expenditures Transparency Index
Launch Event and Conference
Zurich, 9-10 October 2023



Welcome

People joining remotely:
**Please use the chat function for your
questions and comments**



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Introduction

Christian von Haldenwang

Why tax expenditures?



When we talk about taxes, we talk about

- Taxes that governments **actually collect**
- Taxes that governments are **unable** to collect due to tax **evasion** and **avoidance**

→ But we typically do not talk about those taxes that governments **voluntarily** abstain from collecting – tax expenditures

Why tax expenditures?



Tax expenditures are departures from the normal (or **benchmark**) tax structure, designed to favour a particular activity, or group of taxpayers

Examples

- Tax incentives to promote growth and investment
- Reduced VAT rates for basic goods to fight poverty
- CIT deferrals to help companies survive the COVID-19 pandemic

Why tax expenditures? Sizeable impact...



Global revenue forgone averages

3.8%

of GDP

23.0%

of tax revenue

... but all too often hidden from public scrutiny!



Only 42 out of 218 jurisdictions

worldwide publish reports with **provision-level** data on a **regular** basis, most of them members of the OECD or the EU

2021: Launch of the GTED



COUNTRIES

DATA ▾

METHODOLOGY

GTED Global Tax Expenditures Database

PUBLICATIONS

NEWS

ABOUT

COMPREHENSIVE TAX EXPENDITURE DATA TO INCREASE TRANSPARENCY AND ADVANCE REFORMS

The GTED provides timely and consistent information on preferential tax treatments such as exemptions, deductions, credits, deferrals and reduced tax rates that are implemented by governments worldwide to promote different policy goals. The GTED aims to improve reporting, enhance scrutiny, and, ultimately, to contribute to the design of effective and fair tax expenditures across the world.



Follow us   

Project by



Taking TE scrutiny to the next level: the GTETI



TAX EXPENDITURES LAB

RANKING COUNTRIES **GTETI** Global Tax Expenditures Transparency Index WHAT IS THE GTETI?

GTED Global Tax Expenditures Database

GTETI Global Tax Expenditures Transparency Index

THE FIRST COMPARATIVE ASSESSMENT OF WORLDWIDE TAX EXPENDITURE REPORTING

The Global Tax Expenditures Transparency Index (GTETI) is the first comparative assessment of TE reporting, covering countries worldwide. Building on the data made available through the Global Tax Expenditures Database (GTED), the GTETI provides a systematic framework to rank countries according to the regularity, quality, and scope of their TE reports.

Project by

CEP council on economic policies | **IDOS** German Institute of Development and Sustainability

Follow us

218	104	5	25	48
Total Jurisdictions	Assessed Countries	Dimensions	Indicators	Average GTETI Score /100

Introducing the GTETI



- The first **comparative assessment** of TE reporting, covering countries worldwide.
- Provides a **systematic framework** to rank countries according to the quality of their TE reports
- Based on a **normative understanding of good TE reporting**
- Builds on data made available through the Global Tax Expenditures Database (**GTED**)

Introducing the GTETI



- Like the GTED, does not question national **benchmark** and **TE definitions**
- Does not rank countries according to the extent of their TE use, nor to the quality of the TEs they apply
- A **new version** will be published every other year
- For this first version, we may publish an update towards the end of this year to incorporate government feedback

→ **Overarching goal:** Promote good reporting as a first step towards comprehensive tax expenditure reforms

- Contribute to a more structured debate on what “good” TE reports are → standard setting
- Allow for comparative analysis of the strengths and weaknesses of TE reporting in individual cases
- Encourage countries to improve reporting based on a common set of criteria