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The Global Tax Expenditures

Transparency Index

Lifting the veil on tax

expenditures

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The GTED is the first global repository of all reported tax expenditures

What data does the GTED gather?

1 Official

2 Publicly-Available

3 Following Country-Specific Benchmarks

Scope of collected data:



Types of Info: TE Provisions, Revenue Forgone, Tax, TE Type, Beneficiaries, Policy Objective, Legal Reference, etc.



Period Covered: 1990-Present



Countries Covered:

All reporting countries

Key GTED figures

111 ^{+14 since GTED launch}

Reporting countries

107

Non-reporting countries

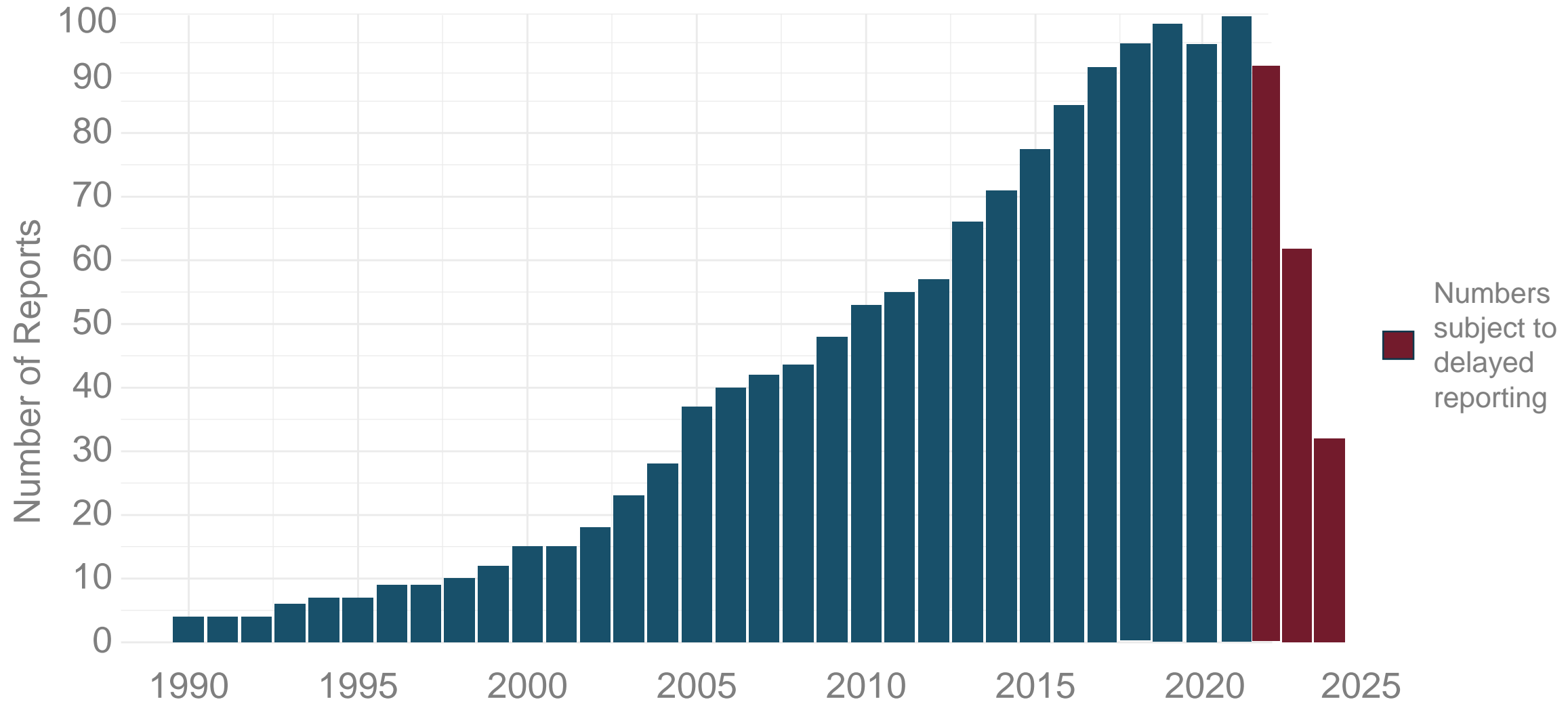
30,841

TE provisions

138,990

Revenue forgone estimates

Increasing numbers of countries have been reporting on TEs since the 1990s



Can more be done on TE Transparency?

The Global Tax Expenditures Transparency Index
(GTETI)

GTETI focuses further on transparency

Motivation:

To develop an objective assessment of the quality of TE reporting in all (reporting) countries and produce actionable recommendations to improve TE transparency.

What the GTETI does:

1. Assess and rank countries based on 25 indicators over five transparency dimensions

What it does not do:

1. Compare revenue forgone figures across countries
2. Provide an assessment of tax expenditure policy

Five GTETI Dimensions



**Public
Availability**



**Institutional
Framework**



**Methodology &
Scope**



**Descriptive TE
Data**



**TE
Assessments**

218

Total Number Of Countries

105

Assessed Countries

5

Dimensions

25

Indicators

46

Average GTETI Score /100

1st dimension: Public availability



Indicator	Good Practice
Frequency and Regularity*	Annual reports with no missing years since start of reporting
Timeliness*	Report provides timely data (e.g. report issued in 2023 provides data for fiscal year 2022)
Visibility	Government communicates the release of the report, for instance through an official press release
Online Accessibility	Report easy to find and included in an online repository
Reader-friendliness	Report published as a single consolidated document with a reader-friendly summary , acronyms explained, and a version for impaired individuals provided

2nd dimension: Institutional framework



Indicator	Good Practice
Legal Requirement	Legal requirement to report – frequency, timing and scope
Submission to Parliament	Report submitted to Parliament
Reporting Responsibility	Ministry of Finance primarily responsible for reporting, with data-sharing from other ministries and the revenue authority
Budget Cycle Integration*	The TE report is part of the budget plan or proposal
Medium Term Strategy	Reporting on TEs linked to the government's Medium-term Fiscal or Revenue Strategy

3rd dimension: Methodology & scope



Indicator	Good Practice
Coverage*	Report covers all TEs
Benchmark	Benchmark tax system described in detail for each tax type
Structural Reliefs	Report provides detailed information (including costs) on structural relief provisions, which benefit specific groups, sectors or activities, but are not considered TEs
Costing Methodology	Report provides a detailed description of the methodology used and the economic assumptions employed in the calculation of revenue forgone
Data Sources	Report discloses the data sources it uses as well as potential issues with such sources

4th dimension: Descriptive data



Indicator	Good Practice
Type of TE*	For each provision, the report names the tax upon which the TE is granted, and the incentive mechanism used
Policy Objective*	For each provision, the report informs about the policy objective(s) it should achieve
Beneficiaries	For each provision, the report informs about the targeted beneficiaries and the number of claimants
Timeframe	The report states until when each TE provision is in place
Legal Reference	The report discloses the legal reference of each TE provision

5th dimension: TE Assessments



Indicator	Good Practice
Disaggregation of Revenue Forgone	Information on revenue forgone presented at the level of individual provisions
Backward Estimates	Report provides backward estimates for 5 years at provision level
Forward Projections	Report provides projections for the coming 5 years at provision level
TE Evaluation Framework	Report describes and references the country's TE evaluation framework
Data on Evaluations	Report discloses the last time each provision was evaluated, provides a summary of the results and a reference to the full evaluation

Average scores differ widely



D1: Public availability	11.3
1.1 Frequency and regularity	3.23
1.2 Timeliness	3.16
1.3 Visibility	0.98
1.4 Online accessibility	1.68
1.5 Reader-friendliness	2.22
D4: Descriptive TE data	8.8
4.1 Policy objective	1.50
4.2 Type of tax expenditure	3.23
4.3 Beneficiaries	0.93
4.4 Timeframe	1.09
4.5 Legal reference	2.06

D2: Institutional framework	10.4
2.1 Legal requirement	2.72
2.2 Submission to Parliament	2.72
2.3 Reporting responsibility	2.80
2.4 Budget cycle integration	1.00
2.5 Medium-term fiscal strategy	1.13
D5: TE assessment	6.49
5.1 Disaggregation of revenue forgone	2.92
5.2 Backward revenue forgone	1.95
5.3 Projections of revenue forgone	0.88
5.4 TE evaluation framework	0.42
5.5 Availability of TE evaluations	0.31

D3: Methodology and scope	8.67
3.1 Information on TE coverage	1.67
3.2 Tax benchmark explanation	1.49
3.3 Structural relief	0.93
3.4 Revenue estimation method	2.38
3.5 Data sources	2.21

Zooming in on D1. Public Availability



D1: Public availability	11.3
1.1 Frequency and regularity	3.23
1.2 Timeliness	3.16
1.3 Visibility	0.98
1.4 Online accessibility	1.68
1.5 Reader-friendliness	2.22

Zooming in on D.5 TE Assessment



D5: TE assessment		6.49
5.1	Disaggregation of revenue forgone	2.92
5.2	Backward revenue forgone	1.95
5.3	Projections of revenue forgone	0.88
5.4	TE evaluation framework	0.42
5.5	Availability of TE evaluations	0.31

Some interesting findings from GTETI



Country	GTETI Ranking	Overall GTETI Score /100
South Korea	1	76.1
Indonesia	2	73.4
Canada	3	70.7
Germany	4	69.3
France	5	68.7
Italy	6	66.9
Brazil	7	65.3
Belgium	8	64.7
Benin	9	64.5
Portugal	10	64.4

VS.

Country	GTETI Ranking	Overall GTETI Score /100
Turkey	71	38.9
Japan	72	38.4
Cabo Verde	73	38.3
Mali	74	37.7
Armenia	75	36.9
Poland	76	36.2
Papua New Guinea	76	36.2
Denmark	76	36.2
Switzerland	79	35.8
Philippines	80	35.7



Thank you!

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