

# Vienna Multi-Stakeholder Group on Improving Cross- border Dispute Resolution

at the Institute for Austrian and  
International Tax Law

# WU

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ECONOMICS  
AND BUSINESS



Institute for Austrian and  
International Tax Law **Vienna**  
WU-Global Tax Policy Center

# Who We Are

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The **WU Global Tax Policy Center (WU GTPC)** is an integral part of the Institute for Austrian and International Tax Law at WU, Vienna University of Economics and Business ([www.wu.ac.at/en/taxlaw/](http://www.wu.ac.at/en/taxlaw/)). The Institute for Austrian and International Tax Law is the largest institution of its kind worldwide. As well as being active in research and teaching activities at WU, the Institute is involved in national and international research projects and therefore has an excellent worldwide reputation. Being the hub for the international tax community, the Institute offers a unique academic platform for significant, innovative and inspiring tax-related research.



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# A New Framework to Guarantee Tax Certainty

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The last two decades have seen an unprecedented integration of national economies, the emergence of new players and the growth of global corporations. In this environment it has become increasingly challenging to operate national tax systems in a borderless world. At the same time, tax competition has intensified, with countries using their tax systems to attract increasingly mobile economic activities. This has led to an intense debate on whether multinational enterprises are paying their fair share of tax spawning the BEPS and Two Pillar project which aim to bolster the international tax framework to protect the tax base of countries, to close existing loopholes. And to achieve a freer distribution of the tax base. While these measures will have a positive impact on the tax revenues of the countries, taxpayers will face increased uncertainty and a lack of predictability since countries are likely to have different views on how to apply these measures, leading to divergences and thus an increase in cross-border tax disputes.

Yet, so far, little has fundamentally changed in the framework governing the resolution of international tax disputes. The mutual agreement procedure (MAP) found in tax treaties is still the primary mechanism used to resolve such disputes. Despite some improvements in the MAP, the process remains slow and the number of unresolved cases continues to grow. The international community is at a crucial stage in the debate on how to resolve cross-border disputes, with the EU, OECD and UN all putting forward new approaches to achieve more principled and faster outcomes which would go some way towards aligning dispute resolution procedures in the tax area with best practices in other areas such as trade and investment. The G20 has recognized the importance of finding solutions that work both for government and business and the need to avoid adding tax uncertainty to a global environment which is characterized by increasing political and economic uncertainty. This will require a constructive dialogue between tax administrations and business, as well as a real engagement of all relevant countries.

The stakes are high: governments need revenues but at the same time most governments recognize that a tax environment in which cross-border disputes remain unresolved will make it hard to attract FDI, which is particularly for developing and emerging economies. We move through the transitional period of Two Pillar Solution implementation, which could take a decade or more. With the implementation of the Pillars One and Two rules, the potential for cross-border tax disputes may increase and therefore there will be more pressure on existing disputes mechanisms, especially MAP.

In this context, the WU Global Tax Policy Center (WU GTPC) launched a project in 2015 which conceptualizes a comprehensive legal framework to rethink the way cross-border tax disputes are resolved. The project brings together contributions from leading academics, private-sector experts, practitioners, and policymakers from organisations such as the OECD, UN, World Bank, CATA, Commission on Taxation of the International Chamber of Commerce, and European Commission to generate new approaches to tax dispute resolution through high-quality, cutting-edge research that addresses the conceptual and practical concerns of non-OECD countries and fosters an environment based on trust and cooperation.

A neglect issue in the area of disputes relates to disputes which arise in the area of VAT/GST. With the spread of these taxes, more than 160 countries now have them, an increasing number of companies are encountering cross-border disputes especially in regards to characterization of goods and service, place of supply and VAT refunds. Unlike direct taxes there are no well established mechanisms to resolve these issues. WU GTPC has created a small Multistakeholder Group conducting a study on cross-border VAT/GST disputes. We prepare a secure factual background for policy debate on the scale of the problem and how to address it. The initiative aims to establish why VAT disputes arise, how they are resolved in practice, and which new dispute minimization and resolution mechanisms can be put in place.



*International Tax Disputes Conference,  
October 6-7, 2016, Vienna*



*Prof. Owens giving closing remarks at the 5th  
meeting of Vienna Multi-Stakeholder Group on  
Improving Cross-Border Dispute Resolution,  
Mexico City, January 24, 2018*

## Past Events

The WU GTPC is working steadily on minimizing and resolving international tax disputes. Several meetings took place:

### „Tax Treaty Arbitration“

Scientific Conference, July 5-7 2018, Rust (Austria)

In 2019, a number of workshops regarding different topics were organized, for example on

- **Disputes and New Technology**, October 11 2019, Geneva
- New Institutional Framework for **Tax Treaty Dispute Resolution** (NIF), March 5 2019 and October 22 2019, Vienna
- **VAT**, November 22 2019, Vienna

### “Cross-Border VAT Disputes: A Neglected Area”

Fireside Chat with Ine Lejeune and Karl-Heinz Haydl, November 19 2020, online

### Meetings of the Vienna Multi-Stakeholder Group on VAT and Disputes:

- Cross-border VAT Disputes: Next Steps in the Program, November 9 2020
- First Analysis of the Responses to the Questionnaire, March 23 2021
- Exploring the Use of Mediation and Arbitration, May 17 2021
- Outline of the Report on the Questionnaire Results, November 9 2021
- Cross-Border VAT Disputes in the EU, March 14 2022
- Organizing the Work on Writing the EU and Global Reports, June 20 2022

## Information and Contact

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Getting there  
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