

Background information (October 2020):

Vienna Multi-Stakeholder Group on VAT and Disputes

In 2015, the WU Global Tax Policy Center (WU GTPC) has launched a project which conceptualises 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.

As part of the Vienna Multi-Stakeholder Group on Improving Cross-border Dispute Resolution, a **sub group with a focus on cross-border VAT disputes** has emerged in 2019. Current statistics, although requiring further elaboration (particularly on which VAT disputes are cross-border and which not), show that VAT disputes are increasing, are having a negative effect on business, especially micro, small and large to expand x-border from any country and on the efficient and effective collection of revenues by the tax authorities. This is an issue between EU countries, between EU and Non-EU countries and between non-EU countries themselves. However, there is no full knowledge on the dimensions of the issue yet.

That is why the **first stage of the project** focuses on **building a case** and getting evidence on how big the problem actually is. This is done by a literature survey and an extensive survey amongst businesses and tax authorities.

Based on this and in the long run, the multi-stakeholder group aims to develop and put in mechanisms that avoid issues going into litigation and to search for alternative dispute resolution mechanisms.

The small group of experts from government, international organizations, business and academics was created to discuss:

- what causes cross-border VAT disputes
- what exiting mechanisms are available to resolve and
- what instruments could be developed

All of this work would build upon the discussions that take place in the EU VAT Forum and at other international VAT fora such as the OECD Global Forum on VAT. The group agreed that it would make a collective effort to extend the participation of government, business and academia in its work using the EU and OECD Networks.

Current state (October 2020):

The multistakeholder initiative is currently working on a **questionnaire** to collect data from businesses, business federations, tax administrations, academia, judges and other experts to obtain better insights into the root causes with the goal of suggesting solutions for dispute prevention and resolving cross-border VAT/GST disputes and the outcomes will feed into the current EU initiative.