

# Oxford University Centre for Business Taxation Annual Report 2016

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Centre for  
Business Taxation

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# Oxford University Centre for Business Taxation

The Oxford University Centre for Business Taxation is an independent research centre which aims to promote effective policies for the taxation of business.

The Centre undertakes and publishes multidisciplinary research into the aims, practice and consequences of taxes which affect business. Although it engages in debate on specific policy issues, the main focus of the Centre's research is on long-term, fundamental issues in business taxation. Its findings are based on rigorous analysis, detailed empirical evidence and in-depth institutional knowledge.

The Centre provides analysis independent of government, political party or any other vested interest. The Centre has no corporate views: publications of the Centre are the responsibility of named authors. The Centre is not a consultancy: it reserves the right to publish the results of its research.

The Centre's research programme is determined on the basis of academic merit and policy relevance, and is the responsibility of the Director and the Centre's Steering Committee. Decisions on the Centre's research programme and the content of research are taken independently of the views of the Centre's donors and other funding agencies and comply with the University's Donor Charter [http://www.campaign.ox.ac.uk/contribute/recognising\\_your\\_gift/donor\\_charter.html](http://www.campaign.ox.ac.uk/contribute/recognising_your_gift/donor_charter.html). All research carried out at the Centre is undertaken with a view to publication.

The Centre complies with the University's policy on conflict of interest.

If you would like to receive our e-newsletter and information about our events please email [cbt@sbs.ox.ac.uk](mailto:cbt@sbs.ox.ac.uk).

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## Introduction

This report summarises the activities of the Centre for Business Taxation (CBT) between August 2015 and July 2016.

Early in this period the final reports of the OECD BEPS projects were published; the culmination of two years' unprecedented review. The CBT was actively engaged in the BEPS project throughout, researching and writing on the main issues, commenting on draft reports of the OECD, and hosting several conferences with speakers from the OECD, governments, business, professional firms and academia. For example, we hosted a conference in November 2015 on general issues arising from the BEPS publications, and one in February 2016 which considered more specifically the resulting proposals by HM Treasury for restricting interest relief in the UK.

An important part of our research has been the continuation of a group of leading economists and lawyers that we brought together to consider more fundamental reform of the international tax system. By the summer of 2016, this work was beginning to draw to a close, and we hosted two major conferences, in Oxford and at the Tax Policy Center in Washington DC, to present and discuss our proposals. We hope that these proposals will be published in 2017.

Prompted by the BEPS project and several high profile disputes over tax payments by well-known companies, as well as the European Commission's pursuit of state aid cases, international tax remained in the headlines this year. This created an unprecedented demand for balanced comment and explanation by the CBT from all the major UK media outlets, including BBC News, Newsnight, Today programme, the PM programme and Radio 5 Live, as well as the Financial Times, the Independent, The Guardian and The Economist, as well as some international media such as the Wall Street Journal.

A major longer-term initiative for the CBT during this year was the preparation of our new MSc in Taxation, in collaboration with the Oxford University Law Faculty. This is a new two-year, part-time, interdisciplinary programme in which we aim to ensure that students not only acquire a detailed understanding of technical law, but also the ability to think deeply about the underlying policy considerations. An element of interdisciplinarity runs through the whole degree. The degree has flexibility which is designed to appeal to a range of students from a variety of disciplinary backgrounds, including those who are engaged in full-time careers and those who are taking a break but have other duties and responsibilities. In September 2016 we admitted and met the first cohort of 32 students for the first week at St Hugh's College, Oxford. This was a lively and very encouraging start, due in part to the enthusiasm of our exceptional students.

We are very fortunate that Richard Collier has joined the CBT as an Associate Fellow. Until the end of 2015, Richard was a senior partner at PwC, where he was responsible for the global firm's relationship with the OECD, and was also the global leader of the firm's banking practice. He has extensive experience of advising taxpayers, governments and tax administrations.

During the summer of 2016 two of our senior researchers departed for new jobs. Giorgia Maffini was appointed as Deputy Head of the Tax Policy and Statistics Division of the OECD's Centre for Tax Policy and Administration. Li Liu was appointed as an economist in the Tax Policy Division of the Fiscal Affairs Department at the IMF. Li was also appointed Associate Editor of the journal *International Tax and Public Finance*, as were previous CBT researchers Nadine Riedel and Jing Xing. We are delighted that both Giorgia and Li are taking their skills and experience of tax policy into these key international institutions for taxation.

Each year I seem to have the opportunity to congratulate our Director of Legal Research, Professor Judith Freedman, on another award. After being awarded a CBE and an Honorary Fellowship of the CIOT, Judith has recently been made a Fellow of the British Academy, reflecting her lifetime contribution to research in taxation. We are of course delighted at this recognition of her outstanding achievements. Judith and Rita de la Feria – another previous CBT researcher, and now Professor of Law at Leeds University – were also honoured by being named in the *International Tax Review Global 50*, which identifies the 50 people who have had the biggest influence or impact on taxation during the previous 12 months.

As in previous years I am grateful to a number of businesses for their generous support; and also for their recognition of the need for the CBT to have academic independence. We have also relied heavily on financial support from the Economic and Social Research Council and the Nuffield Foundation.

**Michael Devereux**  
Director



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Delegates at the conference on The UK's consultation on the tax deductibility of corporate interest expense.



Delegates at the CBT Summer Conference 2016.

# Research highlights

## Stimulating investment through incorporation

This research project examines the effect of incorporation in stimulating small business investment. We start by examining the extent to which businesses incorporate in response to the tax gains available from doing so. To do this, we explore a 2006 UK tax reform that lowered the tax gain to incorporation for companies with relatively low levels of profit, and identify the change in the number of new incorporations at different profit levels. Using confidential corporation tax return data from the HRMC Datalab, we find evidence of substantial tax-motivated incorporation: we find that a one percentage point reduction in the tax gain reduced the number of new incorporations by 4.5 percent. Second, we examine the impact of incorporation on investment, via the access of small companies to external finance, by analysing their response to changes in tax liabilities generated by tax reform. We find that, on average, a £1 reduction in the post-tax internal funds of newly-incorporated firms would reduce their investment by 90 pence, consistent with them facing severe financial constraints. However, this impact on investment gradually diminishes after incorporation, consistent with incorporation improving access to external finance.

Michael P. Devereux and Li Liu.  
CBT Working Paper 16/07

## The impact of investment incentives: evidence from UK corporation tax returns

Many studies have attempted to analyse how taxation affects firms' capital expenditure. However, few studies have focused explicitly on the role of capital allowances. Given the reduction in capital allowances over time in the UK, and the abolition of capital allowances for investment in buildings, this is potentially an important issue for policy. In this research, we analyse the impact of a 2004 exogenous change in the qualifying thresholds for the first-year depreciation allowances (FYAs), which provides us with a treatment group of firms affected by the change, and a control group of firms that were not affected. We use data from confidential UK corporation tax returns, available from the HRMC Datalab. Results suggest that the investment rate increased by between 2.1 and 2.6 percentage points when firms became qualified for FYAs, relative to firms that did not qualify. This implies a very large average increase in investment rate of 11%. We

exploit exogenous variation in the timing of tax payments to show that this large effect is not due to an increase in available cash and hence, is primarily a cost of capital effect.

Giorgia Maffini, Jing Xing and Michael P Devereux.  
CBT Working Paper 16/01

## International taxation and MNE investment: evidence from the UK change to territoriality

In 2009, the United Kingdom switched from a worldwide system of taxing foreign source dividends when repatriated, to a territorial system which largely exempts foreign-earned dividends income from corporate taxation. In principle, this reform had a significant impact on the incentives of UK multinational companies to invest in other countries. In particular, a UK company investing in a country with a lower tax rate than the UK could now take full advantage of the lower tax rate. This research uses data on the affiliates of UK companies located in 27 European countries. It considers the quasi-experiment of the UK reforming its tax system, using as a control group the affiliates of non-UK companies located in the same country. The results suggest that the switch to dividend exemption increased outbound investment by UK multinationals to countries with a lower corporate tax rate than the UK by around 16 percentage points. This represents an addition to total investment by UK multinationals, as there is no evidence of a concurrent reduction in investment by these companies either in the UK or in countries with a tax rate higher than the UK.

Li Liu.  
CBT Working Paper 15/25





Michael Devereux speaking at the conference on The UK's consultation on the tax deductibility of corporate interest expense.

## Will the real R&D employees please stand up? Effects of tax breaks on firm level outcomes

The UK and many other countries offer generous tax treatment of expenditure for research and development; it is important to evaluate how beneficial this treatment is for stimulating greater R&D. This paper evaluates the effect of R&D tax incentives using a 2008 exogenous change in the threshold of small and medium-sized businesses from 250 to 500 employees. Firms that were subsequently registered as an SME were able to take advantage of more generous treatment of R&D; other firms were not affected, and serve as a control group. The results indicate that tax incentives do lead to increased R&D spending, with a 1% reduction in the cost of capital increasing R&D by 1.2%. Also, we find that the higher R&D spending is not due to companies relabeling other expenditure as R&D. Instead, R&D generated through the reform is more attributable to an increase in the number of R&D employees.

Irem Guceri.  
CBT Working Paper 16/02

## Enhanced co-operation: a way forward for tax harmonisation in the EU?

This research project examines the evolution of enhanced cooperation at the legislative and judicial levels in the EU. It identifies the challenges and opportunities created by developments in the politically sensitive field of taxation. It starts by explaining how the treaty provisions were gradually amended to simplify the application of enhanced cooperation. Following the Treaty of Lisbon, some scholars critically maintained that 'the procedural hurdles are still fairly high'; yet, as this contribution shows, the process of 'liberalisation' continued through the lenient interpretation of the Treaty provisions on enhanced cooperation by the Court of Justice of the European Union. The first judgments demonstrate that the Court joined the Treaty makers in their attempt to make the procedure more workable. The downside of this development is that greater effectiveness has been achieved through the dilution of special safeguards envisaged by the EU Treaties with regard to the use of flexible regulatory instruments in European governance. The potential impact of these changes on the dynamics of tax integration in the EU is analysed.

Anzhela Cédelle (née Yevgenyeva).  
CBT Working Paper 15/33

## Evidence-based policy making? The Commission's proposal for an FTT

To support its proposals for a Financial Transaction Tax (FTT) in the EU, the EU Commission published an Impact Assessment in 2011 that ran to 19 volumes. This research project sifts through this evidence to discover whether this evidence persuasively makes the case for an FTT. It does so within the framework of a three-step policy evaluation of the proposal. First, what are the proposal's objectives? Second, are these objectives justified? Third, is the proposed tax the instrument which is best suited to achieve these objectives? Our central conclusion of this paper is that the Commission's evidence is not persuasive and does not make the case for an FTT. Whilst some of the objectives pursued by the proposals are reasonable, others are questionable. More importantly, the Commission's evidence does not support the choice of the FTT as the instrument which is best suited to achieve these objectives. More targeted and more efficient instruments should and could be used to achieve these objectives.

Giorgia Maffini and John Vella.  
CBT Working Paper 15/15



## Do multinational firms invest more? On the impact of profit shifting on capital accumulation

This research sets out to examine the link between profit shifting and investment. Specifically, it compares the incentives to undertake investment domestically for multinational companies that may be able to reduce their tax burden by shifting profits to low tax countries, compared to domestic firms that may not have this opportunity. To investigate this, the research compares the response of German multinationals and German domestic companies to the large corporation tax rate cut of 10 percentage points in Germany in 2008. The reform reduced the incentive of German multinationals to shift profit out of Germany. The results suggest that multinationals reduced their capital expenditure compared to purely domestic firms. This is consistent with the hypothesis that multinationals are less sensitive to the domestic tax rate since they are more able to shift profit out of the country; they therefore benefit less from a rate reduction and hence respond less. These results are confirmed using alternative econometric approaches.

Martin Simmler.  
CBT Working Paper 15/30

## From financial to real economic crisis: evidence from individual firm–bank relationships in Germany

What began as a financial crisis in the United States in 2007–2008 quickly evolved into a massive crisis of the global real economy. This research investigates the importance of the bank lending and firm borrowing channel in the international transmission of bank distress to the real economy – in particular, to real investment and labour employment by non-financial firms. We analyse whether, and to what extent, firms are able to compensate for the shortage in loan supply by switching banks and by using other types of financing. The analysis is based on a unique matched data set for Germany that contains firm-level financial statements for 2004–2010 together with the financial statements of each firm's relationship banks. The results show that banks that suffered losses due to proprietary trading activities at the onset of the financial crisis reduced their lending more strongly than other banks. We then find that firms whose

relationship banks reduced credit supply significantly reduced their real investment and labour employment. This effect was larger for firms that were unable to provide much collateral. However, firms partially offset reduced credit supply by establishing new bank relationships, using internal funds, and issuing new equity.

Nadja Dwenger, Frank M Fossen and Martin Simmler.  
CBT Working Paper 15/16

## VAT notches, voluntary registration and bunching: theory and UK evidence

Most countries use VAT as their primary indirect tax and most have thresholds, usually based on turnover, below which businesses do not need to register. This creates a large and salient tax notch for small businesses whose turnover is around the threshold. This research project uses linked UK VAT and corporation tax returns between 2004 and 2009 from the HMRC Datalab. Approximately 44% of firms with turnover below the threshold are registered for VAT. Some firms restrict their turnover to stay just below the registration threshold. We develop a conceptual framework that allows simultaneously for these two features which generates predictions about how voluntary registration and bunching just below the threshold are related to intensity of input use, the share of B2C transactions for a firm, opportunities for evasion via under-reporting of sales, and the competitiveness of the market in which the firm is located. Consistent with the theory, we find that voluntary registration is positively related to the intensity of input use and negatively to the share of B2C transactions, and the amount of bunching is related to these variables in the opposite way. There is some evidence that product market competition leads to more voluntary registration, and less bunching.

Li Liu and Ben Lockwood.  
CBT Working Paper 16/10

## Large and influential: firm size and governments' corporate tax rate choice?

Political theory suggests that large firms are more likely to engage in lobbying behaviour and have better bargaining positions against their host governments than smaller entities. Conditional on jurisdiction size, public policy choices are thus predicted to depend on the shape of a jurisdiction's firm size distribution, with more business-friendly policies being enacted if economic activity is concentrated in a smaller number of entities. The research examines this issue in the context of the setting of local business taxes by German municipalities; these account for around 40% of German corporate taxes. The empirical approach exploits rich variation in the distribution of firm sizes within each locality. The research also exploits an exogenous change to boundaries which reduced the number of municipalities in the state of Sachsen-Anhalt from around 1000 to around 200. The results indicate that there is an inverse relationship between the concentration of economic activity and the tax choices of municipalities, which supports the hypothesis that the rising importance of large businesses may trigger shifts towards a more business-friendly design of tax policies.

Tobias Böhm, Nadine Riedel and Martin Simmler.  
CBT Working Paper 16/05

## How can a country 'graduate' from procyclical fiscal policy? Evidence from China

In this study, we analyse the cyclicity of fiscal policies in China during the period 1978-2013. We find that the cyclicity of local government spending in China significantly affects the cyclicity of total government spending. We find that local budgetary government spending was strongly pro-cyclical during the 1980s, but it became counter-cyclical with respect to nationwide output fluctuations and non-cyclical with respect to region-specific output shocks in the mid-1990s. We argue that these are likely to be consequences of the 1994 fiscal reform, which revamped the fiscal relations between the central and local governments, reduced the pro-cyclicity of local government budgetary revenue and brought in counter-cyclical intergovernmental transfers. Findings of this study contribute to the debate on

how developing and emerging countries, in particular those with federal fiscal structures, could reduce the pro-cyclicity of their fiscal policies.

Clemens Fuest and Jing Xing.  
CBT Working Paper 15/14

## Measuring tax uncertainty across countries

Anecdotal evidence suggests that uncertainty about taxes on profit is important in determining the investment and location behaviour of business. However, there is very little solid empirical evidence. This research project undertook a survey of senior tax professionals in large businesses and in professional firms on the uncertainty of corporation tax in major countries. There were 88 respondents from 25 countries, and from businesses in 10 different countries. BRIC countries take up 4 of the top 5 places in respondents' assessments of the extent of corporation tax uncertainty. In the last 5 years, corporation tax uncertainty has increased in 20 out of 21 countries analysed (with more than 10 responses). 72% of respondents ranked tax uncertainty as either 4 or 5 on a scale of 1 to 5 indicating "extremely important". BRIC countries also take up the top 4 places in frequency with which corporation tax uncertainty has had a serious impact on business decisions. The single most important factor in determining uncertainty is "unpredictable or inconsistent treatment by tax authority", although the importance of different factors varies across countries.

Michael P. Devereux.  
CBT Working Paper 16/13



# Policy engagement

Members of the Centre for Business Taxation have engaged with policy-makers on several levels over the last year, by writing briefing papers, attending meetings and being invited to give presentations.

They have also been invited to comment in the media on numerous occasions, for example relating to the issue of tax avoidance by multinationals such as Google and Amazon. Members of the Centre appeared on BBC Newsnight, Radio 4 Today programme, BBC News, Radio 4 PM programme and Radio 5 Live. Their views, comments and contributions were also sought by the Financial Times, The Independent, The Guardian, The Economist, The Business Magazine, Prospect, Public Service Magazine and the Tax Advisers magazine.

**Michael Devereux, Giorgia Maffini and Richard Collier** responded to the government's consultation on the tax deductibility of corporate interest expense. The response document can be found in the Publications Policy Papers section of the Centre's website: [http://www.sbs.ox.ac.uk/sites/default/files/Business\\_Taxation/Docs/Publications/Policy\\_Papers/collier-devereux-maffini-paper.pdf](http://www.sbs.ox.ac.uk/sites/default/files/Business_Taxation/Docs/Publications/Policy_Papers/collier-devereux-maffini-paper.pdf)

**Michael Devereux and Richard Collier** briefed the Public Accounts Committee in their investigation into the agreement between HMRC and Google.

**Judith Freedman**, Director of Legal Studies at the Centre for Business Taxation, provided oral evidence to the Finance Bill Sub Committee, which is cited in the report for the House of Lords Economic Affairs Finance Bill Sub-Committee (FBSC) 2016. The report can be accessed via the Publications Evidence section of the Centre's website: <http://www.sbs.ox.ac.uk/faculty-research/tax/publications/evidence>

**Michael Devereux and John Vella** submitted a response on three of the issues set out in the consultation from the All-Parliamentary Group on Responsible Tax – an examination of the OECD's BEPS recommendations to the G20. The written response can be found in the Publications Evidence section of the Centre's website: [http://www.sbs.ox.ac.uk/sites/default/files/Business\\_Taxation/Docs/Publications/Evidence/apg-resp-tax-cons-devereux-and-vella.pdf](http://www.sbs.ox.ac.uk/sites/default/files/Business_Taxation/Docs/Publications/Evidence/apg-resp-tax-cons-devereux-and-vella.pdf)

**Li Liu** participated in a discussion at the French Embassy in London on the tax consequences of the UK's decision to exit the European Union.

**Michael Devereux** participated in a meeting of the Business Forum on Tax and Competitiveness where CFOs and David Gauke, Financial Secretary to the Treasury, discussed the government's forthcoming business tax roadmap.

**John Vella** was commissioned by the TAXE Special Committee of the European Parliament to produce a briefing paper on "Are we moving in the right direction? Public disclosure of tax information and other EC/EP proposals to reduce aggressive tax planning" which he subsequently presented to the committee.

**Michael Devereux** gave evidence to the Treasury Select Committee – Oral Evidence Session for Shifting Sands: An Inquiry into UK tax policy and the tax base on what will be the impact of BEPS (the OECD/G20 project to tackle Base Erosion and Profit Shifting – ways in which multinational businesses can reduce their tax bills). The transcript of the evidence can be accessed via the Publications Evidence section of the Centre's website: <http://www.sbs.ox.ac.uk/faculty-research/tax/publications/evidence>

**Judith Freedman and John Vella** wrote a response to the HMRC/HMT Consultation Document "Improving Large Business Tax Compliance", which can be found in the Publications Policy Papers section of the Centre's website: [http://www.sbs.ox.ac.uk/sites/default/files/Business\\_Taxation/Docs/Publications/Policy\\_Papers/response-to-hmrc-consultation-a.pdf](http://www.sbs.ox.ac.uk/sites/default/files/Business_Taxation/Docs/Publications/Policy_Papers/response-to-hmrc-consultation-a.pdf)

**Michael Devereux and John Vella** submitted a written response to one of the points raised by the Treasury Select Committee Enquiry: UK Tax Policy and the Tax Base – Radical solutions to the problem of the shrinking tax base. The submission can be found on the Centre's website in the Publications Evidence section: [http://www.sbs.ox.ac.uk/sites/default/files/Business\\_Taxation/Docs/Publications/Evidence/t-s-c-tax-policy.pdf](http://www.sbs.ox.ac.uk/sites/default/files/Business_Taxation/Docs/Publications/Evidence/t-s-c-tax-policy.pdf)



Malcolm Gammie QC speaking at the CBT Summer Conference 2016.



Delegates at the Academic Symposium 2016.



# Academic conferences

## Academic Symposium 2016

Saïd Business School, Oxford

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June 2016

The Centre hosted its tenth annual academic symposium in June 2016. As in previous years, we attracted the world's leading academics in business taxation for a 3-day conference to discuss the most recent academic research in business taxation. Almost 60 academics attended, with expertise in economics, law and accounting. Papers covered a wide variety of questions on business taxation.

Speakers included:

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- Annette Alstadsæter, NMBU
- Reuven Avi-Yonah, University of Michigan
- Lily Batchelder, NYU
- Jennifer Blouin, University of Pennsylvania
- Anne Brockmeyer, World Bank
- Allison Christians, McGill University
- Jan-Emmanuel De Neve, University of Oxford
- Victor Fleishcer, University of San Diego
- Irem Guceri, Oxford University Centre for Business Taxation
- Andreas Haufler, University of Munich
- Niels Johannesen, University of Copenhagen
- Dominika Langenmayr, KU Eichstatt-Ingolstadt
- Ben Lockwood, University of Warwick
- Nirupama Rao, NYU
- Alex Raskolnikov, Columbia University
- Nadine Riedel, University of Bochum
- Daniel Saavedra, UCLA
- Steve Shay, Harvard University
- Johannes Voget, University of Mannheim
- Mazhar Waseem, University of Manchester
- Braden Williams, University of Texas - Austin
- Jing Xing, Shanghai Jiao Tong University

## Doctoral Meeting 2015

Saïd Business School, Oxford

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September 2015

The Centre for Business Taxation hosted its fifth Doctoral Meeting in September 2015. The aim of the event was to provide a stimulating environment in which young scholars from around the world could discuss their research, establish informal networks and initiate future collaborations. Twelve international doctoral students and young researchers came to Oxford to present their papers to their peers and members of the Centre. The work discussed in the meeting covered a wide range of issues of public economics and business taxation, including papers from economics, law, accounting and other disciplines, as well as interdisciplinary contributions.

# Policy conferences

## Summer Conference 2016: Corporation tax for the 21st century

## Washington DC Conference: A corporate tax for the 21st century

Saïd Business School, Oxford; Urban Institute, Washington DC

June and July 2016

The Centre co-hosted two conferences in the summer; the one in Oxford was held jointly with the Max Planck Institute for Tax Law and Public Finance, Munich and the one in Washington DC was held jointly with Urban-Brookings Tax Policy Center and the Robert D. Burch Center for Tax Policy and Public Finance at the University of California, Berkeley.

Following the public and political outcry at the tax planning practices of some well-known multinationals, the OECD set up its BEPS project in 2013; this has now reported and proposed a raft of reforms. However, the limitations of the project were clear from the start. The project lacked any serious analysis of the fundamental aims and rationale for the taxation of multinationals' profit, and in particular where profit should be taxed. The BEPS proposals address specific issues, or loopholes, but the fundamental structural weaknesses in the system will remain. For this reason, it is unlikely that such an approach can generate a stable international tax system.

Towards the end of 2013 Professor Michael Devereux invited an international group of economists and lawyers to meet to reconsider the fundamentals of taxing multinational corporations' incomes and to propose reforms. The group has two main goals: to examine fundamental issues of principle and practice in taxing business profits and allocating taxing rights of those profits among countries, and to evaluate potential reform options. Their proposals range from those requiring marginal change to radically different systems. The group has considered two options in some detail: (i) a Residual Profit Allocation system and (ii) a Destination Based Cash-Flow Tax. A common feature is that they assign taxing rights partly or fully to the location of relatively immobile consumers.

Members of the group presented the group's ideas to date, and leading figures from government, business, and academia responded giving their own views on the future of international corporate tax.

Speakers included:

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- Rosanne Altshuler, Professor and Chair, Department of Economics, Rutgers University
  - Alan Auerbach, Director, Robert D. Burch Center for Tax Policy and Public Finance, University of California at Berkeley
  - Reuven Avi-Yonah, Irwin I. Cohn Professor of Law, University of Michigan
  - Jennifer Blouin, Associate Professor of Accounting, Wharton School, University of Pennsylvania
  - Ian Brimicombe, VP, Corporate Finance, Astra Zeneca
  - Alex Cobham, International Tax Justice Network
  - Michael Devereux, Director, Oxford University Centre for Business Taxation
  - Steve Edge, Slaughter and May
  - Judith Freedman, Pinsent Masons Professor of Taxation Law, University of Oxford
  - Malcolm Gammie, QC, One Essex Court
  - Michael Graetz, Alumni Professor of Tax Law, Columbia University and Professor Emeritus, Yale University
  - Rachel Griffith, Institute of Fiscal Studies
  - Itai Grinberg, Associate Professor of Law, Georgetown University Law Center
  - Valeska Gronert, European Commission's Directorate for Taxation and Customs Union
  - Vanessa Houlder, Financial Times
  - John Kay, Visiting Professor of Economics at the London School of Economics
  - Michael Keen, International Monetary Fund
  - Mark Mazur, Assistant Secretary for Tax Policy, U.S. Treasury Department
  - Paul Oosterhuis, Senior International Tax Partner, Skadden Arps LLP
  - John Samuels, Chairman of Global Tax, Blackstone Group and Visiting Lecturer in Law, Yale University School of Law
  - Wolfgang Schön, Director, Max Planck Institute for Tax Law and Public Finance, Munich
  - Eric Toder, Institute Fellow, Urban Institute and co-Director, Urban-Brookings Tax Policy Center
  - John Vella, Associate Professor and Senior Research Fellow, Oxford University Centre for Business Taxation





Richard Collier (PwC), Grace Perez-Navarro (OECD) and Jennifer Blouin (Wharton School, University of Pennsylvania) at the BEPS and UK tax policy: co-operation or competition? Conference.



Michael Graetz (Columbia University), Michael Devereux (CBT), Valeska Gronert (EC), John Vella (CBT), Wolfgang Schön (Max Planck Institute) and Reuven Avi-Yonah (University of Michigan) at the CBT Summer Conference 2016.



Janine Juggins (Unilever), Fergus Harradance (HMT) and Melissa Geiger (GSK) at the BEPS and UK tax policy: co-operation or competition? Conference.



David Gauke, MP Financial Secretary to the Treasury addresses the BEPS and UK tax policy: co-operation or competition? Conference.



## The UK's consultation on the tax deductibility of corporate interest expense

Royal Society of Chemistry, London

February 2016

In October 2015, HM Treasury initiated a consultation over the future of interest deductibility for UK corporation tax. The consultation follows the recommendations of the OECD BEPS (Base Erosion and Profit Shifting) project, which reported earlier that month. The OECD proposed stringent limits on the extent to which interest could be deducted in determining taxable income; the main proposal is to restrict the deduction to between 10% and 30% of profit. If implemented in the UK this would overturn the government's previous position that the UK's relatively generous treatment of interest constituted a competitive advantage over other countries. This is one of the most significant elements of the tax reform proposals made by the OECD.

### Speakers included:

- Michael Devereux, Director, Oxford University Centre for Business Taxation
- Paul Morton, Head of Group Tax, RELX Group
- Sarah Prior, Tax Partner, PwC
- Heather Self, Partner, Pinsent Masons
- Mike Williams, Director, Business and International Tax, HM Treasury

## BEPS and UK tax policy: co-operation or competition?

University of Chicago Booth School of Business European Campus

November 2015

The OECD BEPS project has now produced its final reports. But the extent to which the project's recommendations are eventually translated into international tax practice is still very uncertain – not least because of the potential conflict between the gains from international co-operation with other countries and the gains from competing with them. The conference critically reviewed the proposals made by the OECD. It also discussed the appropriate responses from the UK, and other countries, to specific proposals.

Speakers came from all sides of the debate: the OECD, the UK government, multinational business, professional firms and academia.

### Speakers included:

- Richard Collier, Partner, PwC
- Michael Devereux, Director, Oxford University Centre for Business Taxation
- Steve Edge, Partner, Slaughter and May
- David Gauke, Financial Secretary to the Treasury
- Melissa Geiger, Global Head of Tax, GSK
- Fergus Harradence, Deputy Director, Corporate Tax, HM Treasury
- Janine Juggins, SVP Global Tax, Unilever
- Will Morris, Director Global Tax Policy, GE and BIAC
- Grace Perez-Navarro, Deputy Director, OECD Centre for Tax Policy and Administration



# MSc in Taxation

2016 saw the launch of the Oxford MSc in Taxation, a new two-year part-time postgraduate degree offered by the Oxford University Faculty of Law, and taught in association with the Oxford University Centre for Business Taxation based at Saïd Business School. The teaching is carried out by a team of leading tax and law academics and practitioners.

The Course Directors are Professor Judith Freedman and Dr Glen Loutzenhiser from the Law Faculty and Professor Michael Devereux and Dr John Vella from the Oxford University Centre for Business Taxation.

Oxford academics also teaching on the degree are Visiting Professor Philip Baker QC, Dr Anzhela Cédelle, Dr Richard Collier and Visiting Lecturer Tom Scott.

Other visiting lecturers in the first year will include Professor Stephen Shay of Harvard University and Dr Adam Zalasinski from the EU Commission.

Unusual among Masters in Taxation degrees, the MSc in Taxation has been designed by a combination of lawyers and economists. This combination ensures that students not only acquire a detailed understanding of technical law, but also the ability to think deeply about the underlying policy considerations. An element of interdisciplinarity runs through the whole degree and, in addition, the in-built flexibility of the course allows students to tailor their studies to their individual preferences.

This flexibility is particularly important because the MSc in Taxation has been designed as a part-time degree to appeal to a range of students from a variety of disciplinary backgrounds. The degree aims to accommodate both those who are engaged in full-time careers and those who are taking a break but have other duties and responsibilities.

Teaching on the MSc in Taxation will be undertaken in Oxford in intensive periods, primarily during three residential weeks and at weekends. These unique features of the MSc in Taxation make it an ideal degree for practitioners in law and accounting firms who wish to move from a technical to a deeper understanding of taxation: gaining insights that will propel their career forward. This approach should also appeal to those working in public tax authorities and as in-house tax advisers, as well as for those contemplating an academic career in taxation and those on a career break.

The increased focus on taxation by politicians and the media, as well as the ever-increasing technical demands of the subject and the pace of change at an international level, means that there has never been a more important time to study taxation from a range of perspectives. This is the experience that the Oxford MSc in Taxation offers.

27 June 2016



Directors and lecturers of the MSc in Taxation - Michael Devereux, Glen Loutzenhiser, Anzhela Cédelle, Judith Freedman, Philip Baker QC, John Vella and Richard Collier.



Participants on the first residential course of the MSc in Taxation.

# Publications

## Book chapters

Cédelle, A., (née Yevgenyeva, A.), 2016. "Enhanced cooperation: A way forward for tax harmonization in the EU?" in J Englisch (ed), *International Tax Law and New Challenges to and from Constitutional and Legal Pluralism* (IBFD 2016).

Devereux, M.P., 2016. "Tax transparency and tax co-ordination: a new era for tax reforms in a globalised world" in S Princen (ed), *Political Economy of Tax Reforms: Workshop Proceedings* (European Union).

Freedman, J., 2016. "The UK GAAR" in M Lang et al (eds), *General Anti-Avoidance Rules (GAARs) – A Key Element of Tax Systems in the Post-BEPS Tax World?* (IBFD, Amsterdam, 2016).

Yevgenyeva, A., 2015. "The taxation of non-profit organizations after Stauffer" in W Haslehner, G Kofler and A Rust (eds), *Landmark Decisions of the ECJ in Direct Taxation* (Kluwer Law International, 2015).

## Journal articles

Bond, S. and Guceri, I., 2016. R&D and Productivity: Evidence from Large UK Establishments with Substantial R&D Activities. *Economics of Innovation and New Technology*. On line version.

Bond, S. and Xing, J., 2015. Corporate taxation and capital accumulation: Evidence from sectoral panel data for 14 OECD countries. *Journal of Public Economics*, 130, 15–31.

Cédelle, A., (née Yevgenyeva, A.), 2016. "The EU Anti-Tax Avoidance Directive: A UK Perspective." *British Tax Review* 2016:4.

Devereux, M.P., Fuest, C. and Lockwood, B., 2015. 'The taxation of foreign profits', *Journal of Public Economics*: 125, 83–97.

Freedman, J., 2016. 'UK Institutions for tax governance: reviewing tax settlements' *British Tax Review*: 2016:7.

Loretz, S and Mokkas, S., 2015. Evidence for profit shifting with tax sensitive capital stocks. *Finanzarchiv Public Finance* 71:1, 1–36.

## Policy papers

Collier, R., Devereux, M.P. and Maffini, G., 2016. Response to the consultation on the tax deductibility of corporate interest expense.

Correa, P.G. and Guceri, I., 2016. Research and Innovation for Smart Specialization Strategy.

Devereux, M.P., 2016. Tax transparency and tax co-ordination: a new era for tax reforms in a globalised world.

Devereux, M.P., Habu, K., Lepoev, S. and Maffini, G., 2016. G20 Corporation Tax Ranking.

Guceri, I., 2016. R&D Tax Incentives – ETPF Policy Paper.

Lepoev, S., 2016. Northern Ireland corporation tax.

Vella, J. and Freedman, J., 2015. Response to consultation document "Improving Large Business Tax Compliance" published by HMRC on July 22 2015.

## Reports

Devereux, M.P. and Guceri, I., 2015. Can 'the Good Law' get better? An impact study of: Isencao Fiscal em Pesquisa e Desenvolvimento 'the Good Law'. Briefing paper for Brazil's Ministry of Finance.

Vella, J., 2016. "Are we moving in the right direction? Public disclosure of tax information and other EC/EP proposals to reduce aggressive tax planning". Briefing paper for the TAXE Special Committee of the European Parliament IP/A/TAXE/2016-08

## Other articles and publications

Updated CBT tax database and tax database briefing note.

Dwenger, N., Fossen, F., Simmler, M., 2015. DIW Weekly Report 40/2015 Bankkredite wichtig fuer Unternehmensinvestitionen [Bank loans are important for firm investment]. German Institute for Economic Research (DIW).

Freedman, J., 2016. "Restoring trust", *The Tax Advisor* June 2016:22.

Freedman, J., 2016. "We should create a tax system that reassures the public", *Financial Times*, 9 February 2016.



# Working papers

- WP 15/11 Tax incentives and R&D: an evaluation of the 2002 UK reform using micro data Irem Guceri
- WP 15/12 Effectiveness of fiscal incentives for R&D: a quasi-experiment Irem Guceri and Li Liu
- WP 15/13 The UK international tax agenda for business and the impact of the OEC BEPS project Richard Collier and Giorgia Maffini
- WP 15/14 How can a country 'graduate' from procyclical fiscal policy? Evidence from China? Clemens Fuest and Jing Xing
- WP 15/15 Evidence-based policy-making? The Commission's proposal for an FTT Giorgia Maffini and John Vella
- WP 15/16 From financial to real economic crisis: evidence from individual firm–bank relationships in Germany Nadja Dwenger, Frank M Fossen and Martin Simmler
- WP 15/17 Do better entrepreneurs avoid more taxes? Laurent Bach
- WP 15/18 Patent boxes design, patents, location and local R&D Annette Alstadsæter, Salvador Barrios, Gaetan Nicodeme, Agnieszka Maria Skonieczna and Antonio Vezzani
- WP 15/19 Reinventing the wheel: what we can learn from the Tax Reform Act of 1986 Reuven Avi-Yonah
- WP 15/20 Governance and taxes: evidence from regression discontinuity Andrew Bird and Stephen A Karolyi
- WP 15/21 A critical review of proposals for destination-based cash-flow corporate taxation as an international tax reform option Wei Cui
- WP 15/22 Tax sparing agreements, territorial tax reforms, and foreign direct investment Céline Azémar and Dhammika Dharmapala
- WP 15/23 Inter vivos transfers of ownership in family firms James R Hines Jr, Niklas Potrafke, Marina Riem and Christoph Schinke
- WP 15/24 Reimagining capital income taxation Edward D Kleinbard
- WP 15/25 International taxation and MNE investment: evidence from the UK change to territoriality Li Liu
- WP 15/26 The corporate investment response to the domestic production activities deduction Eric Orhn
- WP 15/27 Who bears the cost of taxing the rich? An empirical study on CEO pay Martin Ruf and Julia Schmider
- WP 15/28 Do companies invest more after shareholder tax cuts? Zhonglan Dai, Douglas A Shackelford, Yue (Layla) Ying and Harold H Zhang
- WP 15/29 The crossroads versus the seesaw: getting a 'fix' on recent international tax policy developments Daniel Shaviro
- WP 15/30 Do multinational firms invest more? On the impact of internal debt financing and transfer pricing on capital accumulation Martin Simmler
- WP 15/31 Cash-flow business taxation revisited: bankruptcy, risk aversion and asymmetric information Robin Boadway, Motohiro Sato and Jean-François Tremblay
- WP 15/32 Do experts help firms optimise? James Mahon and Eric Zwick
- WP 15/33 Enhanced co-operation: a way forward for tax harmonisation in the EU? Anzhela Cédelle
- WP 16/01 The impact of investment incentives: evidence from UK corporation tax returns Giorgia Maffini, Jing Xing and Michael P Devereux
- WP 16/02 Will the real R&D employees please stand up? Effects of tax breaks on firm level outcomes Irem Guceri
- WP 16/03 EU VAT principles as interpretative aids to EU VAT rules: the inherent paradox Rita de la Feria
- WP 16/04 The economics of corporate and business tax reform Dhammika Dharmapala
- WP 16/05 Large and influential: firm size and governments' corporate tax rate choice? Tobias Böhm, Nadine Riedel and Martin Simmler
- WP 16/06 R&D and Productivity: Evidence from large UK establishments with substantial R&D activities Steve Bond and Irem Guceri
- WP 16/07 Stimulating investment through incorporation Michael P Devereux and Li Liu
- WP 16/08 Balancing act: weighing the factors affecting the taxation of capital income in a small open economy Margaret K McKeethan and George R Zodrow
- WP 16/09 Shifting the burden of taxation from the corporate to the personal level and getting the corporate tax rate down to 15 percent Harry Grubert and Roseanne Altshuler
- WP 16/10 VAT notches, voluntary registration and bunching: Theory and UK evidence Li Liu and Ben Lockwood
- WP 16/11 Are financing constraints binding for investment? Evidence from natural experiment Katarzyna Habu
- WP 16/12 Regulatory competition in capital standards with selection effects among banks Andreas Haufler and Ulf Maier
- WP 16/13 Measuring corporation tax uncertainty across countries: Evidence from a cross-country survey Michael P Devereux

# External presentations by Centre staff

August 2015 – July 2016

## August

International Institute of Public Finance Conference, Dublin

Roundtable on BEPS: Principles and Pragmatism, Michael Devereux

“Is a sustainable tax on international profit feasible?”,  
Michael Devereux

“Effectiveness of fiscal incentives for R&D: a quasi –experiment”,  
Irem Gucer and Li Liu

“Are financing constraints binding for investment? Evidence from  
natural experiment.”, Katarzyna Habu

“Home Country Taxation and Multinational Investment: Evidence  
from the UK”, Li Liu

“Regulation, tax and capital structure: evidence from administrative  
data on Italian banks”, Giorgia Maffini

## September

Public Economics UK Conference, Exeter

“Home Country Taxation and Multinational Investment: Evidence  
from the UK”, Li Liu

“The impact of investment incentives: evidence from UK  
corporation tax returns”, Giorgia Maffini

Society of Legal Scholars Annual Conference, University of York

“Cooperative compliance and the Litigation and Settlement  
Strategy; results from a survey”, John Vella, Judith Freedman  
and Francis Ng.

Round Table presentation at Vienna University of Economics  
and Business

“Co-operative Compliance: the legal barriers”, Judith Freedman

## October

Annual MaTax Conference, Mannheim

“Home Country Taxation and Multinational Investment: Evidence  
from the UK”, Li Liu

“Regulation, tax and capital structure: evidence from administrative  
data on Italian banks”, Giorgia Maffini

“Why the current tax rate tells you nothing: Competing for mobile  
and immobile firms”, Martin Simmler

Comparative Analysis of Enterprise Data Conference,  
Istanbul, Turkey

“Effectiveness of fiscal incentives for R&D: a quasi-experiment”,  
Irem Gucer

European Commission Conference, Brussels

“Tax transparency and tax coordination leading to a new era for tax  
reforms in a globalised world”, Michael Devereux

UK Public Accounts Committee Conference, London

“Taxing the Digital Economy”, John Vella

## November

ITIC Africa Tax Dialogue Conference Maputo, Mozambique

“Taxing Corporations – BEPS and International Aspects”,  
Michael Devereux

Women in Tax Launch meeting Pinsent Masons, London

“What do we mean by a fair tax system? Small business taxation”,  
Judith Freedman

National Tax Association Conference, Boston, USA

“Will the real R&D employees please stand up? Effects of tax breaks  
on firm level outcomes”, Irem Gucer

“Stimulating Investment through Incorporation”, Li Liu

“VAT Notches, Voluntary Registration, and Bunching: Theory and UK  
Evidence”, Li Liu

Institute of Directors, London

“Tax Reform & Simplification: A Radical or Pedestrian Agenda?”,  
Judith Freedman

Tax Risk Conference, Pinsent Masons, London

“HMRC and Large Business”, Judith Freedman

CBI, London

“Developments in the corporate income tax system”,  
Giorgia Maffini

IFA/CIOT European Branch Joint Symposium, London

"Developments in the corporate income tax system",  
Giorgia Maffini

Manchester Business School Seminar

"Home Country Taxation and Multinational Investment: Evidence  
from the UK", Li Liu

## December

International Fiscal Association technical meeting, London

"The UK pre-budget report", Giorgia Maffini

## January

American Economic Association Annual Meeting, San Francisco

"Stimulating Investment through Incorporation", Li Liu

"The impact of investment incentives: evidence from UK  
corporation tax returns", Giorgia Maffini

Imperial College Business School, London

"Home Country Taxation and Multinational Investment: Evidence  
from the UK", Li Liu

"The impact of investment incentives: evidence from UK  
corporation tax returns", Giorgia Maffini

World Bank Research Department

"Home Country Taxation and Multinational Investment: Evidence  
from the UK", Li Liu

Martin School, University of Kentucky

"Home Country Taxation and Multinational Investment: Evidence  
from the UK", Li Liu

The 2016 Winter Course on International Tax Law,  
University of Amsterdam

"Revising CFC Rules in the BEPS context (Action 3)",  
Anzhela Cédelle, (née Yevgenyeva)

European Tax Policy Forum, Bern

"Do multinational companies pay less tax than domestic  
companies?", Katarzyna Bilicka

"Measuring tax uncertainty", Michael Devereux

Cesifo, Munich

"The effect of bank levies", Michael Devereux

## February

All Party Parliamentary Group on Responsible Taxation seminar,  
London

"Should we call time on corporation tax?", Michael Devereux  
participated in a panel presentation

Blavatnik School of Government, Oxford

"How to reform the global tax system", Michael Devereux

International Fiscal Association, London

"How MNEs should be taxed", Michael Devereux

Queen Mary University School of Business and Management,  
London

"The impact of investment incentives: evidence from UK  
corporation tax returns", Giorgia Maffini

Confederation of British Industry, London

"Developments in the corporate income tax system",  
Giorgia Maffini

## March

Social Market Foundation's Ask the Expert event, London

"Do multinationals pay enough tax?", Michael Devereux

## April

Bogazici (Bosphorus) University, Turkey

"Effectiveness of Fiscal Incentives for R&D: Quasi-Experimental  
evidence", Irem Guceri

ETPF/IFS Conference in London

"How effective are tax incentives for research and development?",  
Irem Guceri



#### ETPF Conference, London

“Does economic theory offer useful guidance on how to tax foreign source income?” and “How important is tax uncertainty for investment: a survey”, Michael Devereux

#### French Embassy, London

Discussion on tax consequences of Brexit, Li Liu

#### Malta Institute of Management Conference

“Are we heading towards a corporate tax system fit for the 21st Century?”, John Vella

#### TAXE Special Committee of the European Parliament, Strasbourg

“Are we moving in the right direction? Public disclosure of tax information and other EC/EP proposals to reduce aggressive tax planning”, John Vella

#### 2nd CGR Applied Economics Workshop at Queen Mary University of London

“Regulation, tax and capital structure: evidence from administrative data on Italian banks”, Giorgia Maffini

## May

#### EU Parliament TAXE committee, Strasbourg

“Measures to counter aggressive tax planning”, John Vella

#### 2nd BEPS conference at Bocconi University, Milan

“Impact of BEPS on managerial tax decisions”, Giorgia Maffini

#### Chartered Institute of Taxation Annual Lecture, London

“Restoring trust”, Judith Freedman

#### Meiji University, Tokyo

“The role of GAARs in a post BEPS world- EU and UK perspective”, Judith Freedman

## June

#### European Association of Tax law Professor, Munich

“Revisiting Tax Avoidance: The role of GAARs”, Judith Freedman

#### HMRC, London

“How aggressive are foreign multinational companies in avoiding corporation tax? Evidence from UK confidential corporate tax returns.”, Katarzyna Habu

## July

#### A Corporate tax for the 21st century conference organised by Tax Policy Centre and Centre for Business Taxation, Washington DC

“Reform options on the current political agenda”, John Vella

“Residual Profit Allocation Proposal”, Michael Devereux

#### Crawford School of Public Policy Tax and Transfer Policy Institute, Australian National University, Canberra

“Global corporate tax: anti-abuse, transparency and co-operative compliance - UK perspective”, Judith Freedman

#### UNSW Business School Roundtable Sydney

“Rebooting Reform - Keynote - The UK Perspective”, Judith Freedman

## Countries and institutions visited

Through the year, the Centre's staff have travelled globally, speaking at a number of conferences and giving presentations and seminars at a wide range of institutions, a list of which appears below.

Australia – Crawford School of Public Policy Tax and Transfer Policy Institute, Australian National University, Canberra; UNSW, Sydney

Austria – Vienna University of Economics and Business

France – European Parliament, Strasbourg

Germany – Frankfurt; Centre for European Economic Research (ZEW), Mannheim; Cesifo, European Association of Tax Law Professors, Munich

Ireland – IIPF Conference, Dublin

Italy – Bocconi University, Milan

Japan – Meiji University, Tokyo

Malta – St Julian's

Mozambique – Maputo

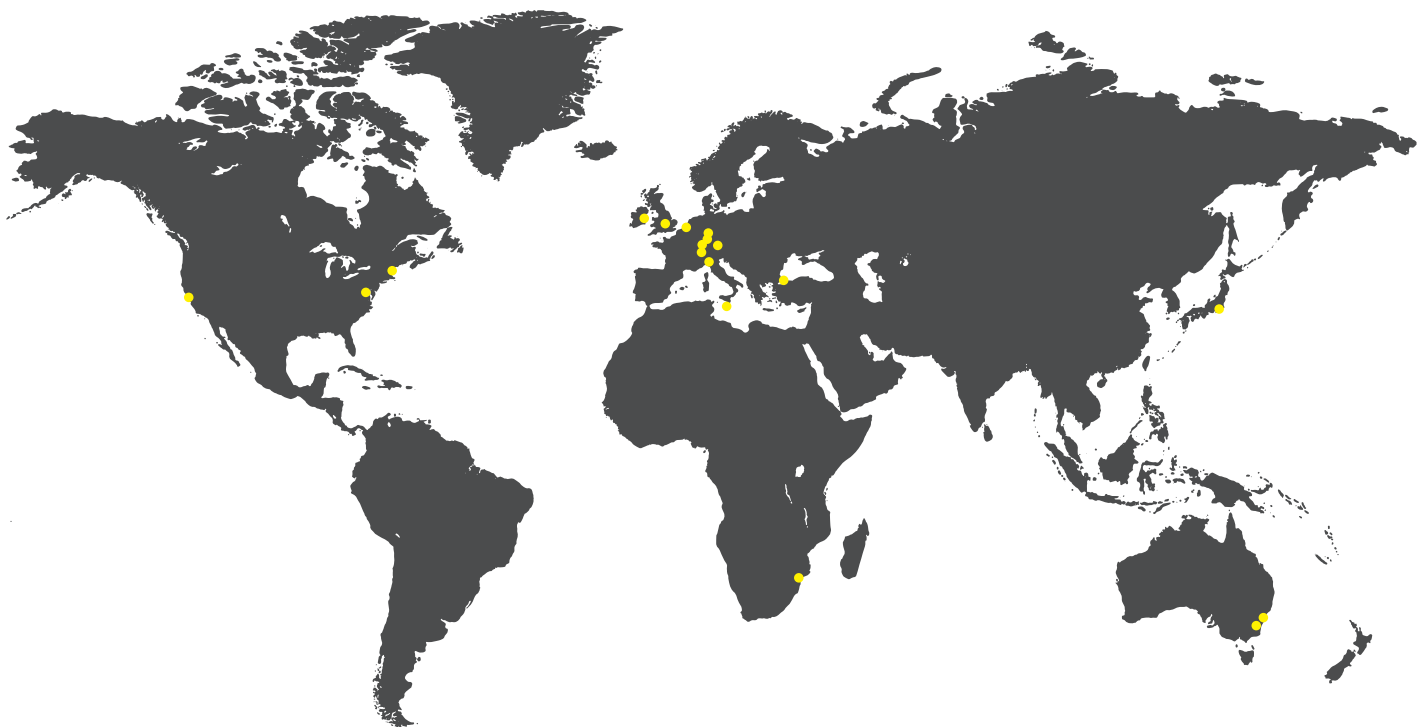
Netherlands – University of Amsterdam

Switzerland – Bern

Turkey – Bosphorus University, Sabanci University; Istanbul

UK – CBI, French Embassy, Imperial College, Institute of Directors, International Fiscal Association, Law Society, Pinsent Masons, Queen Mary University, London; University of Exeter, University of Manchester Business School, University of Oxford, Blavatnik School, University of York

USA – Boston; University of Kentucky, Lexington; San Francisco; Brookings Institution, World Bank, Tax Policy Center, Washington DC



# Academic seminars

## External Speakers

**Dr Catherine Magelssen**, *London Business School*

Inside the Multinational Firm: Structuring Ownership of Intangible Assets

**Dr Laurent Bach**, *Stockholm School of Economics*

The Causal (Non-) Effect of Dynastic Control on Performance

**Dr Dominic de Cogan**, *University of Cambridge*

The special challenges of doing tax law: an Oakeshottian perspective

**Dr Andreas Peichl**, *ZEW University of Mannheim*

Bunching and non-bunching of firms at VAT and admin thresholds – evidence from Armenia

**Professor Michelle Hanlon**, *MIT*

Changes in Corporate Effective Tax Rates Over the Past Twenty-Five Years

**Professor Jon Van Reenen**, *London School of Economics*

Do tax incentives for research increase firm innovation? An RD Design for R&D

**Dr Lucie Gadenne**, *Warwick University*

The Economics of Ration Shop Systems

**Professor Jennifer Blouin**, *Wharton School University of Pennsylvania*

The Investment Implications of Permanently Reinvested Earnings

**Professor Leandra Lederman**, *Maurer School of Law, Indiana University*

Does Enforcement Crowd out Voluntary Tax Compliance?

**Dr Camille Landais**, *London School of Economics*

The Optimal Timing of Unemployment Benefits: Theory and Evidence from Sweden

**Dr Jing Xing**, *Shanghai Jiao Tong University*

Territorial Tax System Reform and the Financial Behavior of Multinational Firms



# Visitors

## Professor Jennifer Blouin

September 2015 – August 2016

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Jennifer Blouin is Associate Professor of Accounting at Wharton, University of Pennsylvania. Jennifer's research centers on the role of taxation in firm decision making. She studies taxation in many contexts, including capital structure, asset pricing, payout policy and multinational firm behavior. Her research has been published in top-tier academic journals including *Accounting Review*, *Journal of Accounting Research*, *National Tax Journal* and the *Journal of the American Taxation Association*. She has received funding from the Rodney L. White Center for Financial Research, the Global Initiatives Research Program and the International Tax Policy Forum. In addition, Professor Blouin was a 2009-2010 Golub Faculty Scholar.

Jennifer teaches taxation to undergraduate, MBA, and PhD students. She received her PhD in Accounting from the University of North Carolina- Chapel Hill and her BS from Indiana University – Bloomington

## Tobias Bornemann

January – March 2016

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Tobias is a doctoral student in the Doctoral Program for International Business Taxation of the Vienna University of Economics and Business. His research is on the effects of transfer pricing rules on investment decisions and the allocation of income of multinational enterprises. During his stay he looked into the effects of Cost Sharing Agreements on firms' R&D investment decisions. He participated and contributed to research seminars and the Centre's research programme.

## Markus Buchner

May – July 2016

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Markus is a doctoral student at TUM School of Management at the Technische Universität München. His research focuses on "The Role of SME- and Industry-Adjusted Valuation Approaches on Taxation". He participated and contributed to research seminars held within the Centre and interacted with the other research staff within CBT. He also attended and participated in the CBT Summer Conference and Academic Symposium held in June.

## Professor Michelle Hanlon

September 2015 – December 2015

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Michelle Hanlon is the Howard W. Johnson Professor of Accounting at the MIT Sloan School of Management. Her research focuses primarily on the intersection of taxation and financial accounting. Her recent work examines the capital market and reputational effects of corporate tax avoidance, the economic consequences of U.S. international tax policies for multinational corporations, the effect of individual level taxes on corporate payout policy, and the extent of individual-level offshore tax evasion. She is an editor of one of the leading accounting research journals. She has won several awards for her research and is the winner of the 2013 Jamieson Prize for Excellence in Teaching at Sloan. She has co-authored two textbooks: *Financial Accounting* (Cambridge Business Publishers) and *Taxes and Business Strategy* (Pearson Education, Inc.). Michelle has testified in front of the U.S. Senate Committee on Finance and the U.S. House of Representatives Committee on Ways and Means regarding U.S. tax policy. She recently worked as an Academic Fellow for the U.S. House Ways and Means (majority) tax staff.

She holds a BBA from Eastern Illinois University, a MAcc in taxation from the University of Missouri-St. Louis, and a PhD in accounting from the University of Washington.

# Centre staff

## Director

### Professor Michael Devereux

Michael Devereux is Director of the Oxford University Centre for Business Taxation, Professor of Business Taxation and Professorial Fellow at Oriel College, Oxford. He is Honorary President of the International Institute of Public Finance, Research Director of the European Tax Policy Forum, and Research Fellow of the Centre for Economic Policy Research and CESifo. He is a member of the Editorial Board of the *British Tax Review* and the *World Tax Journal*. Professor Devereux is a member of the Business Forum on Tax and Competitiveness, chaired by the Exchequer Secretary, and in 2014 was a member of the European Commission High Level Expert Group on Taxation of the Digital Economy.



## Director of Legal Research

### Professor Judith Freedman

Judith Freedman is Director of Legal Research of the Oxford University Centre for Business Taxation, Pinsent Masons Professor of Taxation Law, University of Oxford, and Fellow of Worcester College, Oxford. She was a member of the Aaronson General Anti-Avoidance Rule Study Group and has served on many other governmental and other policy committees. She is a member of the Council of the Institute for Fiscal Studies (IFS) and the IFS Tax Law Review Committee. Judith is a visiting Adjunct Professor in the Australian School of Taxation and Business Law, University of New South Wales. She is general editor of the *British Tax Review* as well as being on the editorial boards of the *Modern Law Review*, *eJournal of Tax Research*, *Canadian Tax Journal*, *Australian Tax Review* and *Tax Journal*. Currently, she is Chair of the Addington Society. Judith was appointed a CBE in the 2013 New Year's Honours List, was awarded an Honorary Fellowship by the Chartered Institute of Taxation (CIOT) in January 2015 and was elected a Fellow of the British Academy in 2016.



## Programme Directors

### Professor Wiji Arulampalam

Wiji Arulampalam is Professor of Economics at the University of Warwick. She is also an Adjunct Professor at the University of Oslo and a Research Fellow at IZA, Institute for the Study of Labor, Bonn, Germany. She is also an elected member of the Executive committee of the European Association of Labour Economics and the Women's committee of the Royal Economic Society. She is a member of the editorial board of *Foundations and Trends in Econometrics*.



### Professor Stephen Bond

Stephen Bond is Senior Research Fellow at Nuffield College, and a Visiting Professor in the Department of Economics, University of Oxford. He was previously Deputy Director of the ESRC Centre for Public Policy at the Institute for Fiscal Studies, and a member of the IFS Mirrlees Review editorial team.



### Professor Clemens Fuest

Clemens Fuest was appointed President of Ifo Institute in 2016. Prior to that he was President and Director of Science and Research of the Centre for European Economic Research (ZEW) in Mannheim, and Professor of Economics at the University of Mannheim. He is a Research Fellow of CESifo and IZA and is a member of the Academic Advisory Board of the German Federal Ministry of Finance and of the Academic Advisory Board of Ernst and Young AG, Germany. Clemens was previously Professor of Business Taxation at Saïd Business School, University of Oxford, and Research Director of the Oxford University Centre for Business Taxation, and before that was Professor of Economics at the University of Cologne.



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### Professor Ben Lockwood

Ben Lockwood is Professor of Economics at the University of Warwick. He is a Research Fellow of CEPR and CESifo, and a member of the editorial boards of *The Economic Journal*, *International Tax and Public Finance* and the *Journal of Macroeconomics*. He has acted as a consultant on tax policy for the IMF and PwC. He is a member of the Board of Management of the International Institute of Public Finance.



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### Dr Helen Simpson

Helen Simpson is a Reader in Economics at the University of Bristol, and a member of the Centre for Market and Public Organisation. She is a Research Affiliate of the CEPR and a member of the Academic Panel at the What Works Centre for Local Economic Growth. She is an Associate Editor of the *Journal of the European Economic Association*, and an Associate Editor of *Fiscal Studies*.



## Associate Fellow

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### Dr Richard Collier

Richard Collier, former Partner at PwC, has joined the Centre and is working with the Centre's researchers on a number of issues including the effects of the OECD BEPS project and the effects of limiting interest deductibility in the UK.

Richard is a qualified lawyer and chartered accountant. He has been very closely involved with the work of the OECD since the late 1990s and has been especially active in following the BEPS project.



## Senior Research Fellows

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### Dr Li Liu

Li Liu has left the Centre to take up a post as an Economist at the IMF in Washington DC. She was a Senior Research Fellow at the Oxford University Centre for Business Taxation. She holds a PhD in Economics from Rutgers University. Her research focuses on public economics, in particular corporate taxation and finance. Her latest research addresses the economic and welfare implication of corporation taxes on business behaviour including small business incorporation and investment, international taxation and UK multinational investment, and the overall social costs of corporation tax.



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### Dr Giorgia Maffini

Giorgia Maffini left the Centre in May 2016 to take up a post at the OECD as Deputy Head of its Tax Policy and Statistics Division. She had been a Research Fellow at the Centre since 2006 and was awarded a Leverhulme Trust Fellowship from 2013 to pursue her research on the effects of taxes on business behaviour. Since May 2010, she was also a Visiting Lecturer at the Department of Policy Analysis and Public Management, Bocconi University, Italy, where she teaches Business Law and Public Finance. Previously Giorgia was an Economist at the Centre for Tax Policy and Administration (CTPA) of the OECD in Paris. Giorgia holds a PhD in Economics from the University of Warwick. Her latest research focused on the effect of the tax system on corporate investment and on the capital structure of the firm and on the taxation of the financial sector.





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### Dr John Vella

John Vella is a Senior Research Fellow and Associate Professor at the Oxford University Centre for Business Taxation and a member of the Faculty of Law at Oxford. John studied law at the University of Malta (BA and LLD) and the University of Cambridge (LLM and PhD). He was previously Norton Rose Career Development Fellow in Company Law at Oxford. John has been a Program Affiliate Scholar at New York University and a co-arbitrator in a tax dispute before the ICC International Court of Arbitration. He is currently Convenor of the Tax Section of the UK Society of Legal Scholars and a member of the editorial board of the *Journal of Tax Administration*. His recent research has focused on financial sector taxation, on which he has given expert evidence before UK Parliamentary Committees on a number of occasions; the taxation of multinationals, on which he has written briefing papers for Committees of the European Parliament; and tax compliance and administration.



## Research Fellows

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### Katarzyna Habu

Katarzyna is a DPhil student in Economics at the University of Oxford. She joined the Centre as a Research Fellow in October 2010. Previously she studied BSc Mathematics and Economics at the University of Warwick, and continued with her studies to obtain an MSc in Economics and International Financial Economics in 2010. At the Centre she conducts research on various topics related to business taxation and fiscal policy. She is responsible for the maintenance and development of the CBT Tax Database.



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### Dr Irem Guceri

Irem received her BA in Economics from Koc University in Istanbul and her MSc in Economics at LSE. She then worked as an economist at the World Bank in the Europe and Central Asia region, Financial and Private Sector Development unit. She holds a DPhil in Economics from the University of Oxford. Her current research focuses on productivity and corporate taxation in R&D-intensive sectors.



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### Dr Martin Simmler

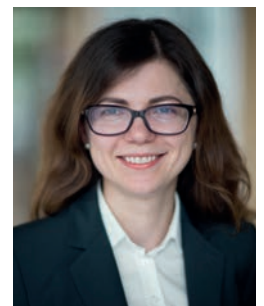
Martin joined the Centre as a Research Fellow in 2014. He completed his DPhil in Economics at the Free University Berlin in 2013. His research interest is public economics, in particular, the impact of taxes and public goods and service provision on firm decisions (location, finance, employment and investment decision). Martin is also a Research Fellow at the German Institute for Economic Research Berlin (DIW Berlin).



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### Dr Anzhela Cédelle (née Yevgenyeva)

Anzhela Cédelle joined the Oxford University Centre for Business Taxation in 2012 as a Research Fellow. Anzhela holds a DPhil in Law from the University of Oxford, where she had previously completed her Masters in Law. She also holds a BA and MA in Law from the Kyiv-Mohyla Academy in Ukraine. She is the Managing Editor of the looseleaf encyclopedia D. Vaughan and A. Robertson (eds.), *The Law of the EU* (OUP). Her current research addresses various aspects of taxation and EU law with a particular interest in the intersection of these two fields.



## Research Assistants

### Dongxian Guo

Dongxian Guo is a Research Assistant at the Oxford University Centre for Business Taxation. Dongxian completed her MSc in Economics from the University of Warwick in 2015. Previously, she received her MA Honours degree in Economics from the University of Glasgow in 2013. Her work at the Centre involves research on various topics in corporation tax and VAT.



### Strahil Lepoev

Strahil Lepoev joined the Oxford University Centre for Business Taxation as a Research Assistant in October 2014. Strahil holds a BBA (majors: Finance and Mathematics) from University of Wisconsin-Madison and MSc Economics from University of Warwick. His work includes topics related to tax avoidance and the effects of taxation on investment.



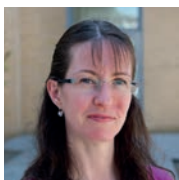
## DPhil Scholar

### Daisy Ogembo

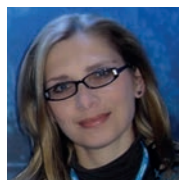
Daisy Ogembo is an Advocate of the High Court of Kenya. She holds an undergraduate degree in Law from the University of Nairobi and a Masters in Law from University of London. Daisy worked for six years in the leading litigation firm of Oraro & Company Advocates, where she obtained significant experience in the preparation of briefs and submissions for consumption by the High Court of Kenya, the Court of Appeal of Kenya, the International Criminal Court, as well as private clients and government institutions. Since January 2013, she has been working at the Strathmore Law School as a full time faculty member and Director of Research, Strathmore Tax Research Centre.



## Administrative Staff



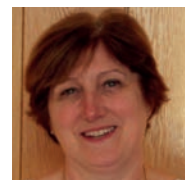
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# Financial support

The Centre receives financial support from a number of sources.

## Economic and Social Research Council

The Centre gratefully acknowledges the significant funding it receives from the Economic and Social Research Council (ESRC).

The Centre was awarded a grant to run for 3 years from October 2013. This grant is investigating "*The effects of business taxation on economic and social welfare: new insights from tax return data*" (ES/L000016/1).

Previous grants:

- **Business, Taxation and Welfare**  
Ref: RES-060-25-0033
- **Company births and deaths: investigating the role of taxation**  
Ref: RES-194-23-0012

## Other funding

- **Leverhulme Trust**  
Senior Research Fellow Giorgia Maffini was awarded a prestigious Leverhulme Trust Early Career Fellowship tenable for 3 years from autumn 2013 to conduct research on "*Business taxation and corporate behaviour: evidence from EU administrative data*".
- **Nuffield Foundation**  
The Centre has been awarded a grant to support research into fundamental tax reform entitled "*Designing a Business Profit Tax Fit for the 21st Century*".

## Project specific funding

Occasionally, the Centre accepts commissions to carry out independent academic research from government and non-governmental organisations.

## Donations from companies

The Centre for Business Taxation was founded using generous funding from companies from the Hundred Group. Subsequently, other companies have also offered us their support. The Centre is grateful for this financial support, which continues and which is vital to support the work of the Centre. Decisions on the Centre's research programme and the content of research are taken independently of the views of the Centre's donors and other funding agencies and comply with the University's Donor Charter. All research carried out at the Centre is undertaken with a view to publication. Companies who supported the Centre in 2015/16 are:

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