

# The Organisation for Economic Co-operation and Development (OECD)



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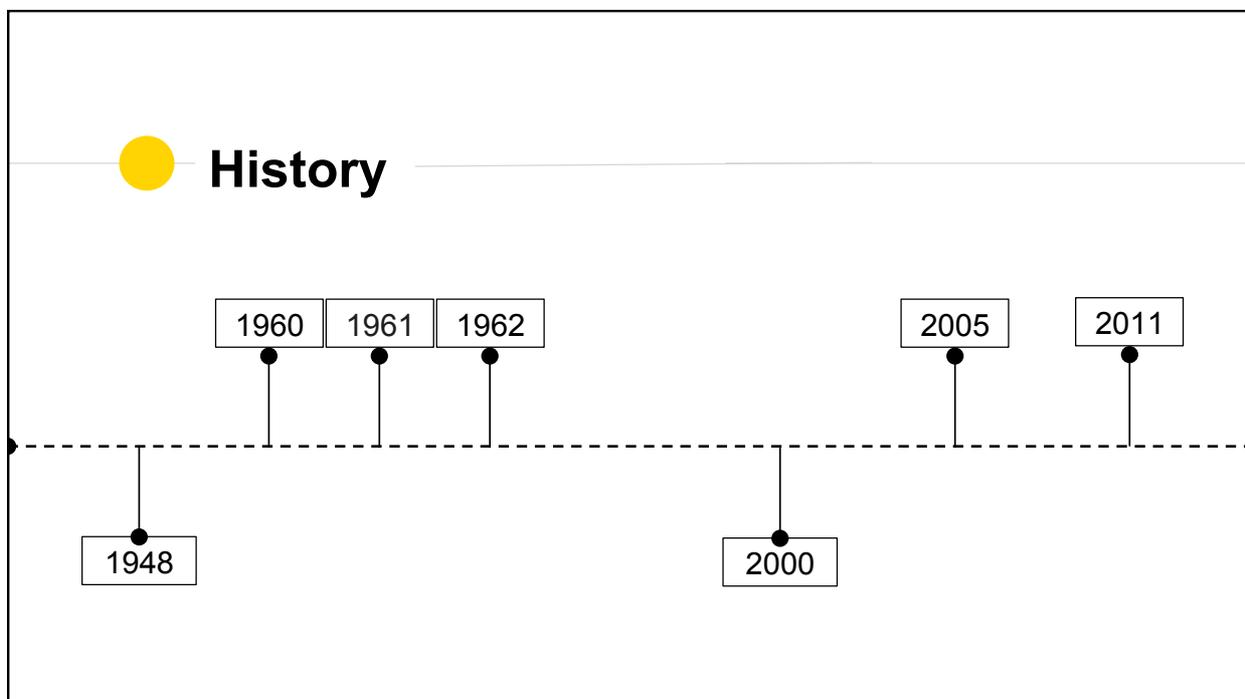
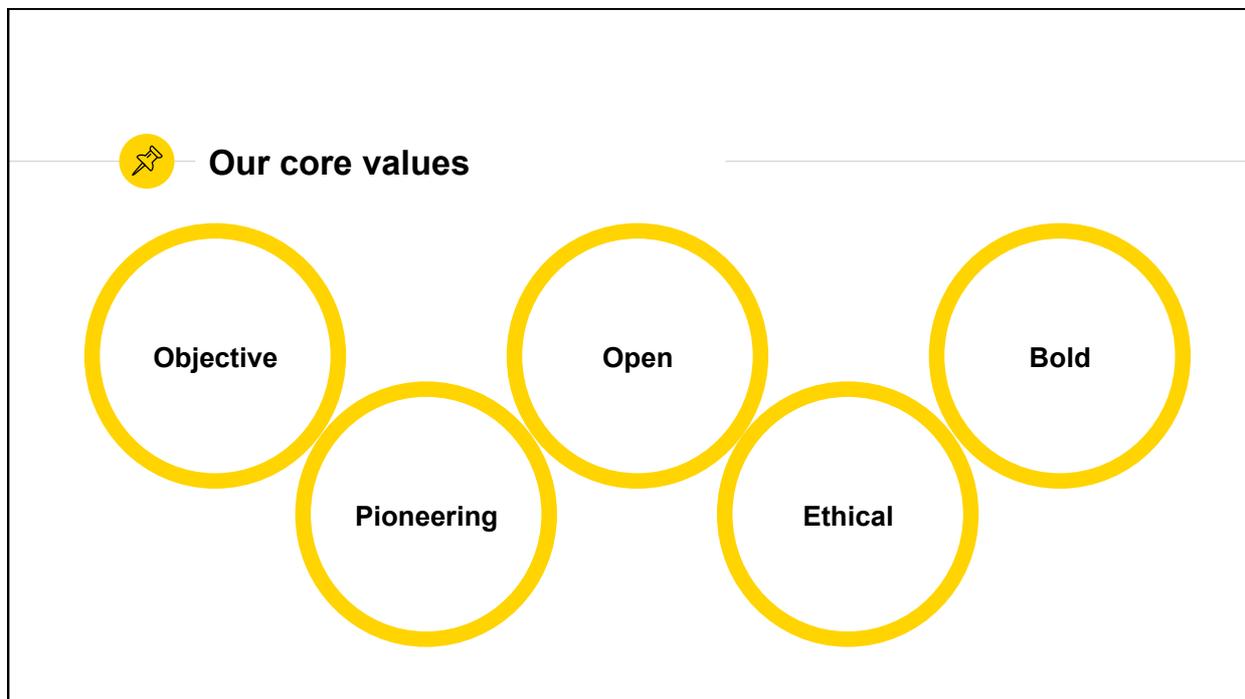


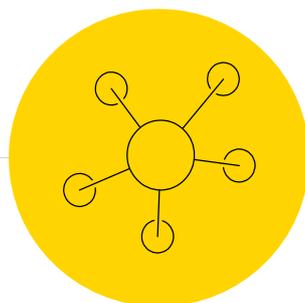


# Mission

- ***To promote policies that will improve the economic and social well-being of people around the world.***

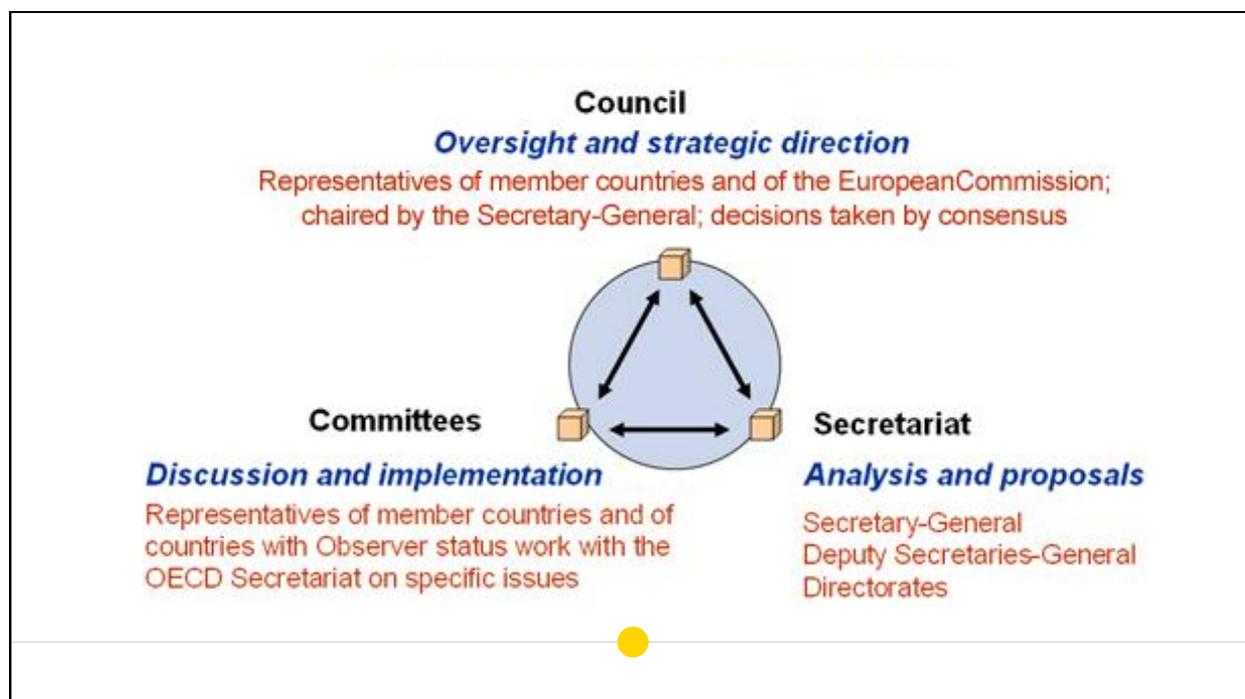
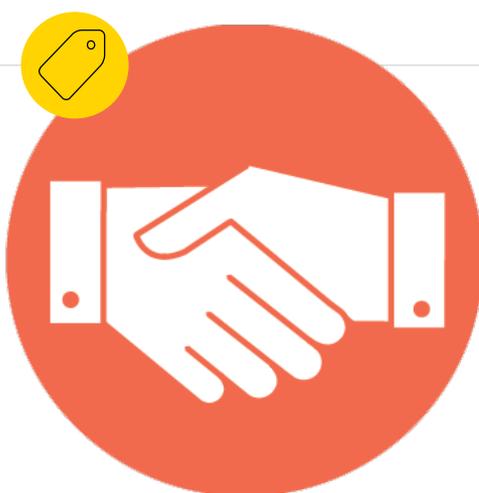






## Structure

Who drives the OECD's work?

## Key Partners

*"Enhanced Engagement" programmes*

- Brazil
- India
- Indonesia
- PRC
- South Africa

# Work of OECD



● Tax and Trade

 **Tax**Action Plan on Base Erosion and Profit Shifting

- Established by OECD and adopted by G20 countries in 2013
- Deals with the tax challenges of the Digital Economy
- **Cause:** multinational enterprises make use of gaps in the interaction of different tax systems to reduce taxable income or shift profits to low-tax countries in which little or no economic activity is performed

 **Tax**Action Plan on Base Erosion and Profit Shifting

- Aim to enhance transparency for tax administrations
- provide countries with adequate information to assess high-level transfer pricing
- Identify issues raised by digital economy → consult with stakeholders → analyse written reports submitted by countries → issue reports → recommend further steps



## Tax - News: 21 Oct 2016

### **Next step towards transparency in international tax matters: Five new jurisdictions sign tax co-operation agreement to enable automatic sharing of country-by-country information**

21/10/2016 - As part of continuing efforts to boost transparency by multinational enterprises (MNEs), Brazil, Guernsey, Jersey, the Isle of Man and Latvia signed today the Multilateral Competent Authority Agreement (MCAA) for the automatic exchange of Country-by-Country reports, bringing the total number of signatories to 49. This marks a further milestone towards the implementation of the [OECD/G20 BEPS Project](#) and a significant increase in cross-border cooperation on tax matters.



Country-by-country reporting will require MNEs to provide aggregate information annually, in each jurisdiction where they do business, relating to the global allocation of income and taxes paid, together with other indicators of the location of economic activity within the MNE group. It will also cover information about which entities do business in a particular jurisdiction and the business activities each entity engages in.



## Trade

### Non-tariff measures

- (1) Export restrictions on raw material
- (2) Trade control
- (3) Technical barriers to trade
- (4) Facilitating trade through regulatory cooperation



## **Export restrictions on raw materials**

- Diverting raw materials from export to domestic markets → restrictions raise prices for foreign consumer and importers
- Same time: by reducing domestic prices in the producer countries and increasing global uncertainty about future prices → export restriction discourage investment in extracting and producing raw materials → potentially reducing the overall supply of materials in the long term



## **Trade costs**

- OECD: collect and analyses data on transport and logistics costs of trading, and the effects of these cost on international trade
- Identify areas where countries can reduce unnecessary obstacles to trade and reduce costs for business, traders and consumers



### **Technical barriers to trade**

OECD: conduct investigations

Focus on conformity assessment (CA) procedures

→ conduct testing, certification and accreditation



### **Facilitating trade through regulatory cooperation**

- OECD Trade Committee: international regulatory cooperation aims to specifically strengthen governments' capacities to evaluate the economic affairs of different potential mechanisms of collaboration
- From a conceptual perspective and through actual case work



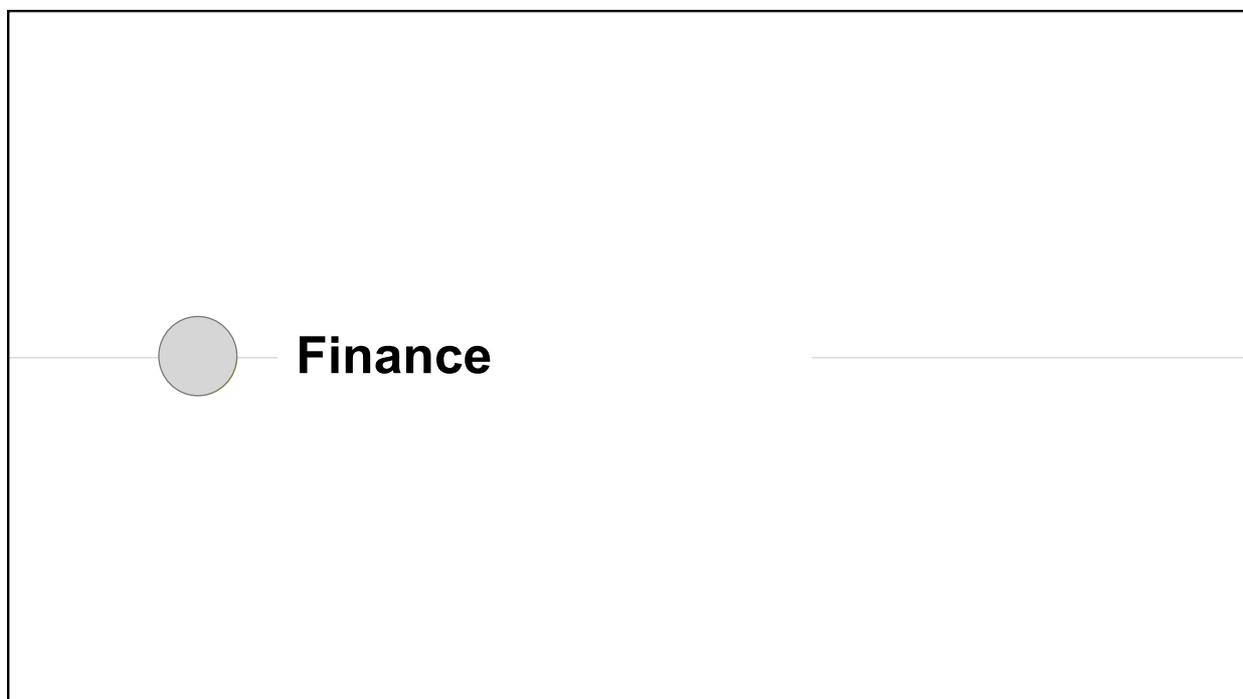
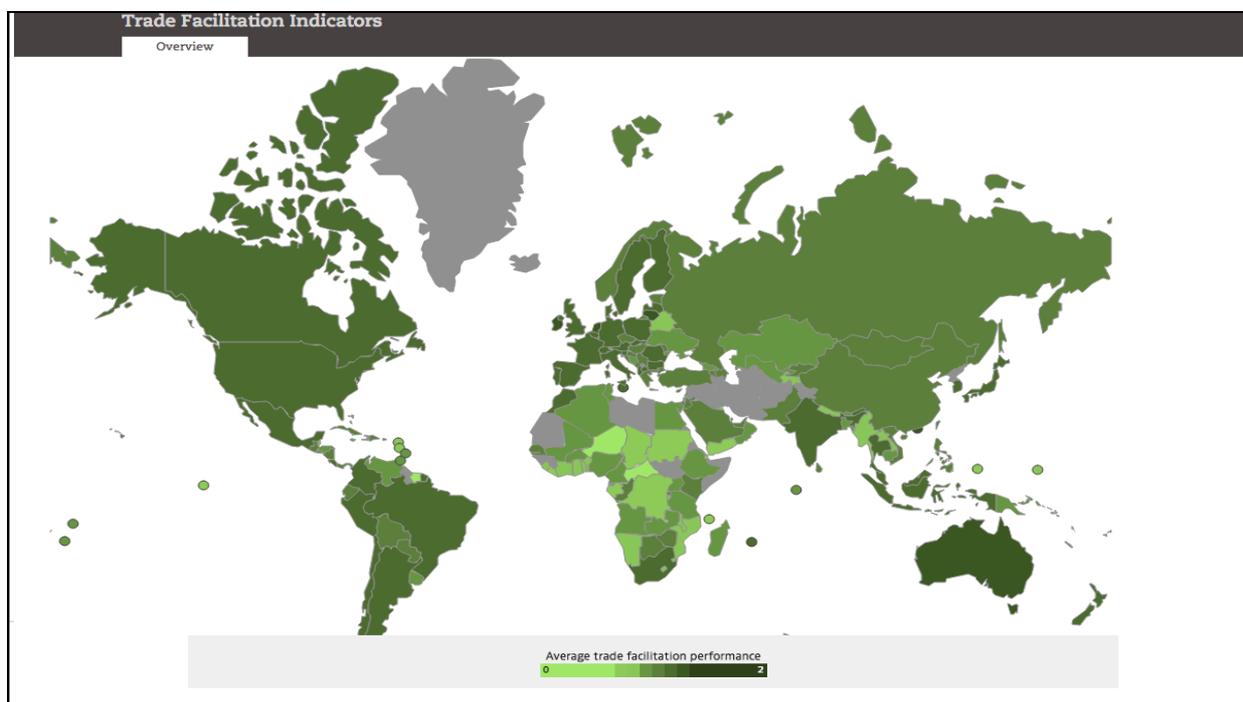
### **Trade Facilitation Indicator (TFL)**

- To help governments to improve their border procedures, reduce trade costs, boost sales trade flow and reap greater benefits for international trade
- Identify areas for action and enable the potential impact of reforms to be assessed
- Provide a basis for governments to prioritise trade facilitation actions, mobilise technical assistance and capacity-building efforts for developing countries in a more targeted way



### **Trade Facilitation Indicator (TFL)**

- Covers the full spectrum of border procedures for 163 countries across income levels, geographical regions and development stages
- Takes value from 0 to 2 (2: best performance that can be achieved)
  - calculated on the basis of info in the TFIs database





## Public debt management

- OECD provides a **unique policy forum** for government debt managers to exchange views and experience
  - governments are amongst the major issuer of debt instruments in the global financial market
- 1) Monitor sovereign borrowing
  - 2) Sovereign debt and financial stability
  - 3) OECD-Italian Treasury network for emerging market



## Financial Market

### The OECD Anti-Bribery Convention

- establishes legally binding standards to criminalise bribery of foreign public officials in international business transactions and provides for a host of related measures that make this effective.
- the first and only international anti-corruption instrument focused on the 'supply side' of the bribery transaction.



## **Financial Market**

### Implementation and enforcement

- The Convention itself establishes an open-ended, peer-driven monitoring mechanism to ensure the thorough implementation of the international obligations that countries have taken on under the Convention.
- This monitoring is carried out by the OECD Working Group on Bribery.
- The country monitoring reports contain recommendations formed from rigorous examinations of each country.



## **Green growth & sustainable development**



### **Environmental country reviews**

- performance of different countries
- provide evidence-based analysis and assessments of countries' progress towards their environmental policy objectives.
- promote peer learning
  
- EXAMPLE

“France’s environmental policy is proactive and ambitious, as exemplified in 2015 by the Energy Transition for Green Growth Act and the Paris Agreement at COP21, and in 2016 by the draft law on biodiversity. The challenge now is to fulfill these commitments...”



### **OECD Global Forum on Environment**

- 24-25 October 2016, OECD Conference Centre, Paris.
- TOPIC:  
Towards Quantifying the Links Between Environment and Economic Growth
- provide a platform for policy experts, academics and government officials and developing countries
- explore how a well-managed natural environment can contribute to economic growth and how such an effective and efficient regulatory system can be designed.

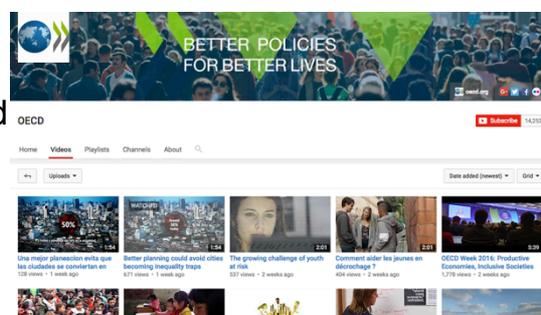
## Publications

### Papers and Reports

- Publishes regular Economic Outlooks and widely-reported Economic Surveys and statistics

### Youtube Videos

- Videos about various issues and discussions from OECD forums



## ● Policy Recommendations

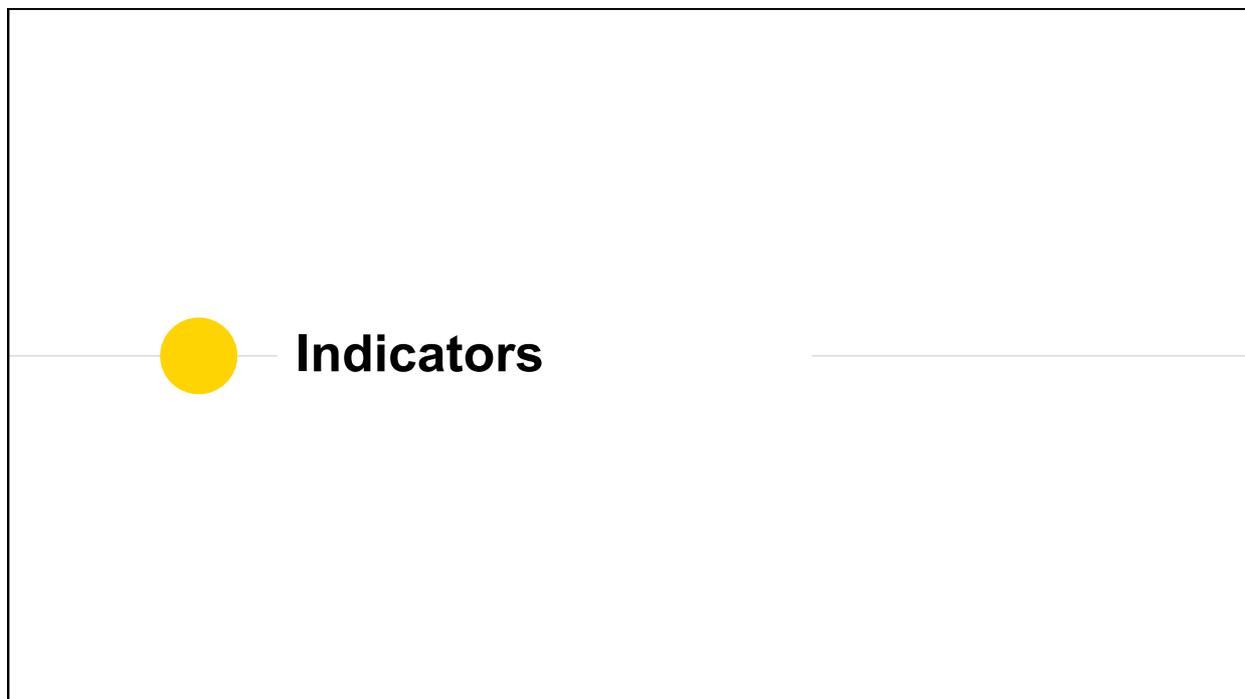
### ● Make Policy Recommendations

- Reviews economic trends, policies and performance in member and selected non-member countries
- Provide recommendations and policy guidance

E.g. Internet Economy

1. Promote and protect the global free flow of information
2. Promote investment and competition in high speed networks and services
3. Promote and enable the cross-border delivery of services
4. Encourage multi-stakeholder co-operation in policy development processes

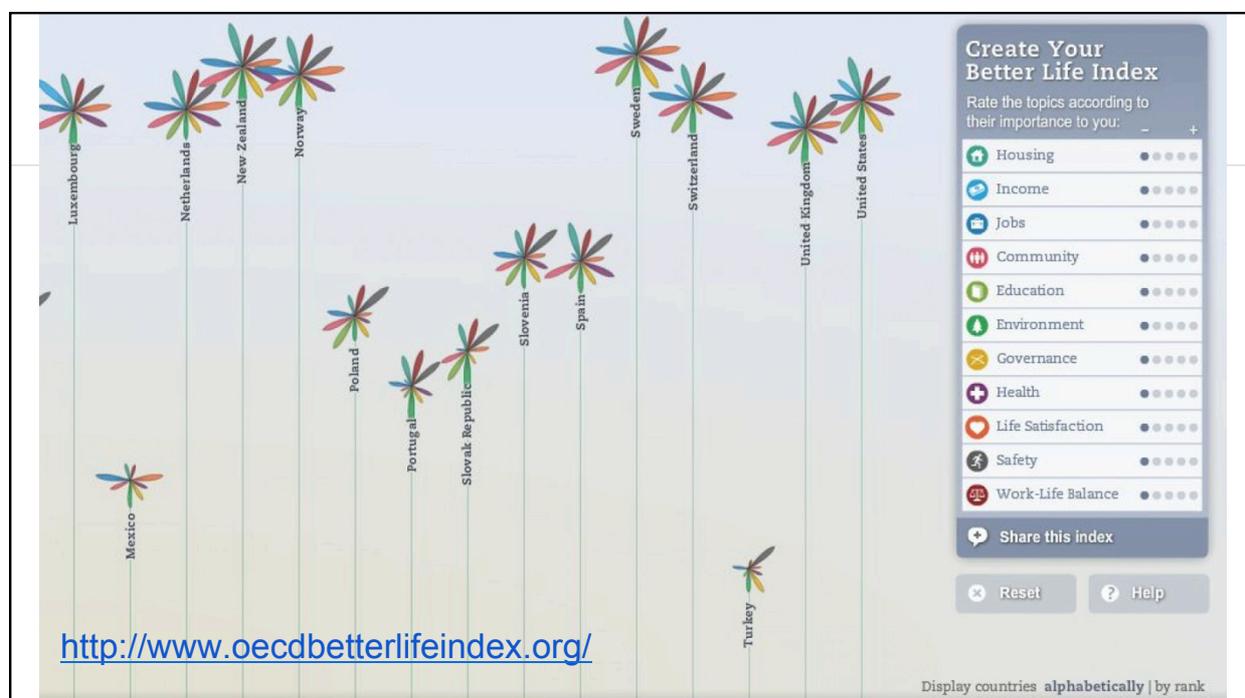




## Better Life Index

→ An interactive tool that allows people to compare countries' performances according to their own preferences in terms of what makes for a better life

→ Includes two main elements:  
"Your Better Life Index"  
and "How's Life?"



## Regional Well-Being Index

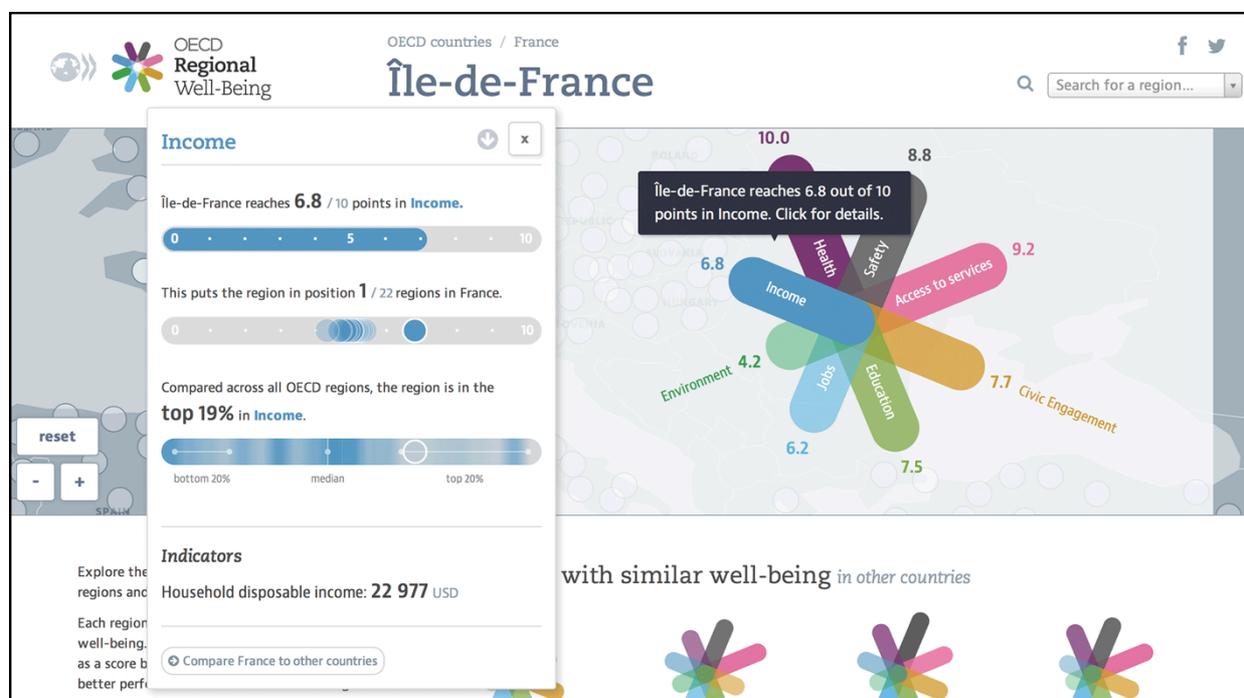
→ How's Life in your region?

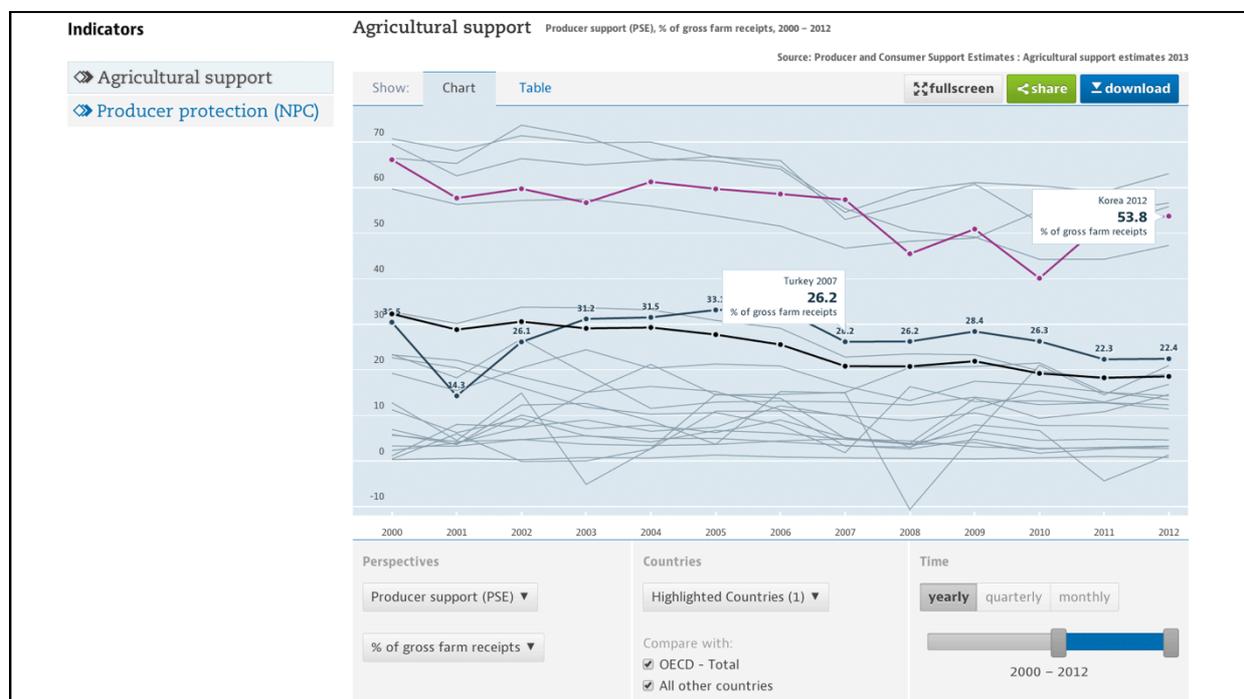
<https://www.oecdregionalwellbeing.org/>

## OECD Data Portal

→ Combined data portal for the public to access

<https://data.oecd.org/>





## Downside/ Criticisms of OECD

### Unclear Positioning

- Clear positioning would help ensure better funding and support from government

### Biased on rich nations

- Limited membership to few rich nations
- Guidelines drafted by Western countries but to be used in third world countries

### Lacks Power

- Soft law
- Unable to legislate or enforce laws and to coerce a country or member, to alter its policy

- > Agriculture and fisheries
- > Bribery and corruption
- > Chemical safety and biosafety
- > Competition
- > Corporate governance
- > Development
- > Economy
- > Education
- > Employment
- > Environment
- > Finance
- > Green growth and sustainable development
- > Health
- > Industry and entrepreneurship
- > Innovation
- > Insurance and pensions
- > Internet
- > Investment
- > Migration
- > Public governance
- > Regional, rural and urban development
- > Regulatory reform
- > Science and technology
- > Social and welfare issues
- > Tax
- > Trade

*~END~*

