



The 5<sup>th</sup> BRITACOF

Deepening Tax Administration Cooperation for  
High-Quality Belt and Road Development  
Hong Kong, China 24-26 / 9 / 2024



# The Purpose of Tax Policy: Economic Growth

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# Introduction

What is the purpose of taxation?

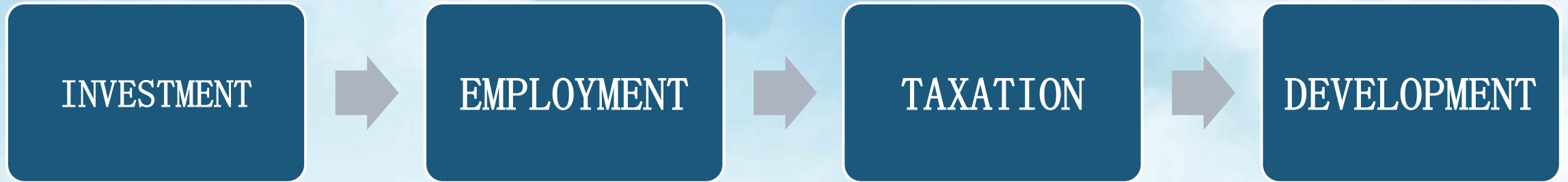
- Taxes provide a continued source of revenue for governments to promote economic development and social progress.

Other equally important questions:

- How do Governments determine the levels of taxation that will best meet their needs?
- Which tax policy is best?



# Tax Policy Should Drive Economic Growth



Increases in tax revenues depend on profitable businesses employing workers and on investors, domestic or foreign, placing funds into those businesses or starting new businesses. Economic growth is a prerequisite for revenue growth.

The fundamental question:  
*How to design a tax system to promote the economic growth that itself drives higher revenue.*



# Countries Enjoying Regular and Sustained GDP Growth

Bangladesh

Benin

Côte  
d'Ivoire

Djibouti

Ethiopia

Kenya

Libya

Mongolia

Niger

Rwanda

Tanzania

Togo

Uganda

Vietnam



# Tax Incentives

Governments should understand how tax policy influences investors' decisions and prioritize practical considerations.

Companies must understand the impact of tax policies; ensure compliance; and optimize tax strategies across jurisdictions

Businesses generally favor broad-based and easily administered taxes

Simplifying invoicing and tax collection fosters efficiency and promotes investment



# Tax Systems That Promote Economic Growth Are:

FAIR to all taxpayers

PREDICTABLE *in their efforts to drive investment*

UNDERSTANDABLE *to promote high levels of compliance*

SIMPLE *for revenue authorities to administer*





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# BRITACOM's Global Impact

The role of BRITACOM as a leading global organization in the work of tax administration is essential.

Helping countries raise the level of knowledge and skills among national tax administrations by promoting cooperation



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Growth should  
be the heart  
of tax policy







# The 5<sup>th</sup> Belt and Road Initiative Tax Administration Cooperation Forum



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# Thank you