



Regional Integration of Different National Tax Systems

# Conference: The EU Experiences and its Lessons for ASEAN

Kuala Lumpur, Malaysia  
Monday 15 December 2014  
Venue: Westin Hotel

## Chairs

Mansor Hassan | Prof. Dr. Dennis Weber

## Panelists

Prof. Dr. Joachim Englisch | Prof. Dr. Walter de Wit  
Adrianto Dwi Nugroho | Dr. Supachai Panitchapakdi  
Assoc. Prof. Edmund Sim | Prof. Dr. Veerinderjeet Singh  
Dr. Jan van de Streek | Prof. Kitipong Urapeepatanapong  
Edwin Vanderbruggen | Prof. Piphob Veraphong  
Marianne Wong Mee Wan | Prof. Dr. Dennis Weber

Limited seats available | [www.hasil.gov.my/aseanconference](http://www.hasil.gov.my/aseanconference) | [actl.uva.nl](http://actl.uva.nl)

The Petronas Towers

## Application

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Please note that there are limited seats available

# Globalisation

## Background

Globalisation does not only result in an expansion of multilateral cooperative bodies, but it also facilitates a free flow of trade, investment, capital and labour. As a consequence, we have witnessed the emergence of growing tax competition amongst nations for tax bases and investment to cause a flow to designated sectors or parts of society, traditionally by using tax and incentive policies to attract and lay claim to those flows as a source of revenue. National tax sovereignty and tax competition amongst nations creates variation in national tax systems which may indeed develop some adverse tax effects for both the state and business operators involved in cross-border activities, for example, business operators may incur an excess burden from double- or over-taxation as well as high compliance costs while States may suffer revenue deficits as a result of tax avoidance or harmful tax competition policies. Thus, within the context of the regional economic goals, especially a region with a single market policy, cooperative behaviour amongst nations leading to some form of regional tax harmonisation is increasingly viewed by some as essential for the functioning of a single market and for the accomplishment of other regional economic objectives.

The ASEAN is moving towards its next phase of development by setting its goal to be more integrated so as to establish the ASEAN Community in 2015. While there has been noteworthy progress, the ASEAN bloc is, however, characterised by significant structural differences, including the national tax systems of the member countries. Despite this, integration within ASEAN has nevertheless progressed and it is this ongoing process beyond 2015 that necessitates an agenda that will need to be drawn up to make sure that all relevant regional regulatory frameworks, including the area of regional tax integration arrangements, will be sufficiently suitable and appropriate for facilitating the single market and other regional economic goals, while at the same time taking into account existing domestic considerations for each of the member states.

The conference on *Regional Integration of Different National Tax Systems: the EU Experiences and its Lessons for ASEAN*, organised by the Inland Revenue Board of Malaysia and Amsterdam Centre for Tax Law, is aimed to explore the issues and challenges for the potential development of an ASEAN tax regulatory framework, taking into account the tax integration experiences over the past few decades of the EU. The EU has seen the greatest integration of any region in the modern world with rich and extensive experience in regional integration including tax integration development. The conference is divided into four sessions including a general discussion on the impacts of regional integration on taxation and then specific topics on the potential reform of regional tax structures where three types of taxes are discussed independently, namely, custom tariffs, value added taxes, and finally, corporate taxes.

## Objective

The main objective of the conference is to bring together academics and professional experts involved in taxation to exchange opinions and discuss the issues and challenges facing the arrangements of regional tax integration in the South East Asian region and about the potential development of an ASEAN tax regulatory framework. In particular, discussions will focus on the current variations in national tax systems between member countries and on the possibilities to improve the efficiency of regional tax integration arrangements which are consistent and necessary for the functioning of a single market and for the accomplishment of other regional economic objectives.

To achieve this, key stakeholders from both EU and ASEAN have been brought together with a view to answering critical question about the potential development of an ASEAN tax regulatory framework in order to enhance a better understanding of the varieties of different perspectives for further regional tax integration developments and in particular whether any changes would be both desirable and necessary for the functioning of the ASEAN Community.

# Programme

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<b>8.00 - 9.00</b>	<b>Registration</b>
<b>9.00 - 9.05</b>	<b>Welcoming Remarks</b> Co-Chair of the Conference Prof. Dr. Dennis Weber (Director, ACTL; Loyens & Loeff)
<b>9.05 - 9.10</b>	<b>Opening Remarks</b> Advisor of the Conference Tan Sri Dr. Mohd Shukor Mahfar (CEO, Inland Revenue Board of Malaysia)
<b>9.10 - 9.30</b>	<b>Keynote Address</b> Guest of Honour Dato' Seri Haji Ahmad Husni Bin Mohamad Hanadzlah (Finance Minister II)
<b>9.30 - 10.00</b>	<b>Coffee Break</b>
<b>10.00 - 11.30</b>	<b>Session I: Impacts of Regional Integration on Taxation</b> This session will focus on regional economic objectives and their potential impact on taxation. The current ASEAN tax systems and the variations in national tax policies and regulations in its member countries will be explored from a broad perspective, taking into account the tax integration experiences of the EU where the focus will be on the impact of EU Treaty Freedoms on taxation.  Some of the topics to be discussed will include: <ul style="list-style-type: none"><li>- Motivation, objectives and benefits of regional integration;</li><li>- The role of taxation in facilitating or constraining regional economic goals</li><li>- Impetus, potential effects and impacts of international tax competition and tax harmonisation in a region;</li><li>- The harmful tax competition (code of conduct group) and State aid discussion in the EU;</li><li>- Impacts of regional Treaties on taxation; The EU experience: the influence of the EU treaty freedoms on taxation;</li><li>- The problems involved in integrating domestic tax reforms with existing international and regional tax treaties and arrangements;</li><li>- Potential challenges and difficulties for regional tax integration, for example, the issue of the rule of laws and governance, the issue of direct effect and direct applicability of the regional treaties, issues regarding the application of the general principles of law (such as legal certainty and legitimate expectation), and matters regarding institutional structures particularly on establishing and arranging some form of regional judiciary system.</li></ul> <b>Moderator</b> Mansor Hassan (Director, Department of International Taxation, IRBM/Co-chair of the Conference)  <b>Panelists</b> <ul style="list-style-type: none"><li>- Prof. Dr. Dennis Weber (Director, ACTL; Loyens &amp; Loeff/Co-chair of the Conference)</li><li>- Dr. Supachai Panitchapakdi (Former Director-General, WTO; Former Secretary-General, UNCTAD)</li><li>- Edwin Vanderbruggen (Partner, VDB Loi)</li></ul>

Birds Park in Kuala Lumpur



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**11.30 - 13.00 Session II: Regional Integration of Customs Systems - Experiences, Issues & Challenges**

This session will focus on the current variations in tax policies and regulations in the ASEAN and its member countries, particularly on their customs systems. It will also explore the issues and challenges for further improvement of regional customs system in the ASEAN, taking into account tax integration experiences within the EU.

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Some of the topics to be discussed will include:

- Overview of historical developments in customs tariff and regulations in the region;
- Variations in current national tax regimes on customs systems (e.g. tariff classification, value for duty, customs enforcement, audits, penalties and appeals, trade remedies, import and export controls and trade embargoes) and their effects on intra-community trade;
- Potential reform of the ASEAN customs system

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**Moderator**

**Dato' Siti Halimah Ismail** (Undersecretary, Tax Division, Ministry of Finance, Malaysia )

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**Panelists**

- **Prof. Dr. Walter de Wit** (Partner, Ernst & Young)
- **Marianne Wong Mee Wan** (Chair, ASEAN Single Window Technical Working Group, Royal Malaysian Customs)
- **Assoc. Prof. Edmund Sim** (Adjunct Associate Professor, National University of Singapore; Partner, Appletonluff)

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**13.00 – 14.00 Networking Lunch**

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**14.00 - 15.30 Session III: Regional Integration of Value Added Tax Systems - Experiences, Issues & Challenges**

This session will focus on the current variations in the indirect tax policies and regulations in the ASEAN and its member countries, particularly on value added tax or sales tax. It will also explore the issues and challenges for further development of a regional indirect tax system in the ASEAN, taking into account the tax integration experiences of the EU.

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Some of the topics to be discussed will include:

- Overview of the historical development of VAT systems in the regions;
- Importance of the VAT for emerging markets and developing countries;
- Variations in current national tax regimes on VAT systems and their effects on intra-community trade, including the risks of double taxation (or double non-taxation) arising from different VAT systems;
- Potential reform of the ASEAN VAT system

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**Moderator**

**Royal Malaysian Customs** [tbc]

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**Panelists**

- **Prof. Dr. Joachim Englisch** (Professor, Munster University)
- **Prof. Dr. Veerinderjeet Singh** (Chairman, Taxand Malaysia; Adjunct Professor, Monash University)
- **Prof. Kitipong Urapeepatanapong** (Partner, Baker & McKenzie; Chairman, Tax Committee of Thai Chamber of Commerce)

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**15.30 - 16.00 Coffee Break**

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**16.00 - 17.30 Session IV: Regional Integration of Corporate Tax Systems - Experiences, Issues & Challenges**

This session will focus on the current variations in direct tax policies and regulations in the ASEAN and its member countries, particularly on their corporate tax systems. It will also explore the issues and challenges for further development of regional corporate taxation within the ASEAN again taking into account the tax integration experiences of the EU.

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Some of the topics to be discussed will include:

- Overview of the historical development of corporate tax systems in the regions. Focus will also be put on the experiences from the recent development arising from the OECD Model Convention and the relevant EU Treaties, as well as from several EU Directives which have had a significant impact on the tax planning of companies;
- Variations in current national tax regimes on corporate tax systems, including variations in perspective on international tax avoidance as well as efforts to prevent it, and their effects on intra-community trade. The debate over tax base erosion and profit sharing (BEPS) will also be explored;
- Potential reform of the ASEAN corporate tax system and the possible options for obtaining consolidated base taxation in the ASEAN will be considered.

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**Moderator**

**Nor'aini Ja'afar** (Director, Tax Policy Department, IRBM)

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**Panelists**

- **Dr. Jan van de Streek** (Assistance Professor, ACTL; Loyens & Loeff)
- **Prof. Piphob Veraphong** (Partner, Law Alliance; Adjunct Professor, Chulalongkorn University)
- **Adrianto Dwi Nugroho** (Universitas Gadjah Mada)

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**17.30 - 18.00 Reflection and Wrap Up**

