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# **BEPS minimum standards implementation impact upon tax sovereignty**

**Doctoral Meeting of Researchers in International Taxation (DocMIT)**

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## Aim and scope of research

- ▶ Develop a methodology to identify the objectives considered and actions taken by a country's stakeholders to implement the Base Erosion and Profit Shifting (BEPS) four minimum standards.
- ▶ Study whether the country stakeholders' objectives are aligned with those associated with the concept of sovereignty in international relations (e.g. autonomy, authority, control and legitimacy).
- ▶ Identify whether the BEPS four minimum standards implementation contributes to a change in the purview of the concept of tax sovereignty.

## ▶ **Mixed methods**

- ▶ Sample: the Netherlands, Spain, Australia and Mexico.
  
- ▶ Legal analysis
  - ▶ Legal description – soft and hard law means of implementation.
  
- ▶ Semi-structured interviews with experts
  - ▶ Advisory, tax administration, ministry, NGO's, OECD representatives, business associations, other stakeholders.
  
- ▶ Socio – Legal approach
  
- ▶ Causal mechanisms and comparison.

- ▶ The implementation of the BEPS four minimum standards contributes to the change in the purview of the concept of tax sovereignty.
  - ▶ In practice countries consider a wide range of issues that exceed tax logic.
  - ▶ The bargain operates within an infinite game.
  - ▶ Multilevel setting – Incentive to agree.
  
- ▶ Due to the involvement of several actors in different levels of governance (national, supranational and international) the sovereign decision-making process is in constant evaluation and re-evaluation.

## Proxies of sovereignty:

Authority, Autonomy,  
Legitimacy and Control

Desk Research

Expert Interviews

Nardin

Sovereignty as  
an idea and its  
diffusion as a  
topic.

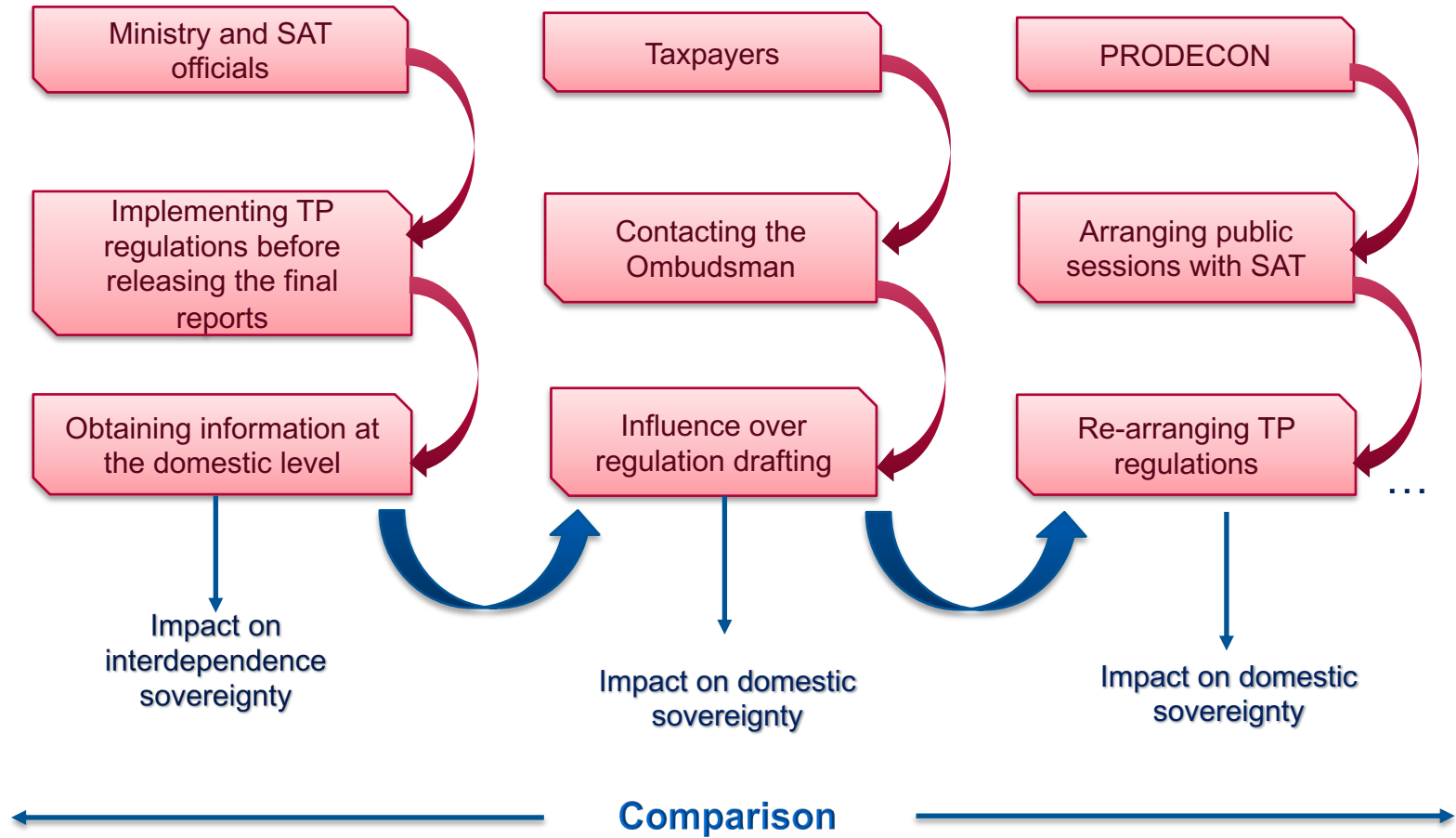
Krasner

International  
Legal

Westphalian

Domestic

Interdependence



## Main arguments/conclusions to date

- ▶ The concept of tax sovereignty follows a pattern of constant creation and recreation. Such a circular process is enabled by the interactions between stakeholders operating in three different levels (national, supranational and international).
- ▶ There is not a sum zero game between tax sovereignty and international cooperation.
- ▶ The concept of tax sovereignty has been changing alongside the evolution of the international tax system and that BEPS minimum standards implementation constitutes a milestone of this shift.
- ▶ The pursue of autonomy is still one of the proxies of tax sovereignty, yet not the only one that should be considered as relevant for the concept's study. .



# Questions/propositions

- ▶ Why do countries implement international standards beyond compliance with political commitments?
- ▶ Can theories of other research disciplines be used in order to best comprehend the proxies of the concept of tax sovereignty in multilevel settings?
- ▶ What happens when a country has already legislation in place matching the standard?