

International Fiscal Association - 65th Congress Paris 2011

Opening Speech

Bon soir mes amis,

Je veux commencer mon intervention aujourd'hui en français pour remercier les amis de l'IFA en France qui nous offre ce merveilleux congrès à Paris ; Paris, cette fabuleuse ville pleine de culture, d'histoire, de romance et de passion. Merci bien mes amis français; bienvenue.

Mr. Hervé Lehérissel, President of the 65th Congress of the International Fiscal Association,

Ladies and gentlemen,

Dear IFA friends,

Welcome to Paris, the city of light, the city that combines the passion and romance with the culture and history like no other in the world; the city where our friends in the French Branch of IFA welcome all of us coming tonight from 85 different countries.

We will have interesting discussions, that is true, but I am sure that we will also have time to start the day with a *croissant* and a *café au lait*, and later in the day, after visiting

one of the wonderful museums this city has to offer, to enjoy a *filet de bouef* or a *magré de canard*, together with a glass of a fine Bordeaux or, always keeping the consumption local, a glass of champagne.

This year, 2011, is no exception to a sad rule; also this time we have to remember a great IFA friend who has already departed. We will miss our friend Manuel Marin Arias, who was a distinguished member of our Executive Committee for the period 1981-1987 (where he was 2nd Vice President 1986-1987). He was also a member of the Permanent Scientific Committee from 1993-1999, an active member of the General Council from 1988-2010, and Secretary of the Spanish Branch from 1989-2005.

May we remember him and the other IFA friends that are no longer with us, so they can live forever in our hearts.

IFA was created in 1938, in the brink of World War II; it was conceived within the efforts made to advance the international tax law in order to allow economic alliances to develop, which among other objectives, would had help to prevent another great war.

Today, the world has changed and IFA has changed and evolved with it; however, wars are still here. These are new wars, fought over oil, drugs, illegal money or political and religious differences as well.

Today, ten years ago, the world changed, we all changed; today, ten years after the terrorist attack on the World Trade Center in New York, we need to remind ourselves that our

motives are still valid, that if we want to fight, we need to fight against the war. Many people died that day, let's not forget them either; even today, they deserve better than that.

But let's not be sad, the future is all in front of us, and IFA is present today in 62 countries, has more than 12,000 members and in at least another four countries, serious efforts to create new branches are being conducted.

IFA is more alive than ever before, it sponsors local, bi-national and now regional activities in regular programs, all of which combined with its annual world Congresses, allow its members to interact, exchange knowledge and views, and learn from each other, and, at the same time, create a unique network of tax specialists representing all of the sectors in the field of international taxation.

Our Latin American Regional Committee, formed in Rome last year by 11 countries is working on a regular basis; early this year the reunion organized by the Committee brought together more than 420 IFA Latin American members in Bogotá.

In addition, within the tradition established by Central IFA many years ago, a prize has been established for works on international taxation produced in the region in Spanish; these works produced by IFA members were not able to compete in the Mitchell B. Carroll prize or the Maurice Laure prize, because of the language in which they were written. Now they are recognized

Congratulations to the Committee for these results and especially to the Colombian branch for an excellent regional meeting.

This year, here in Paris, a large number of countries from the region of Central and Eastern Europe will meet in order to continue the discussions towards the formation of another regional committee in their part of the world. The idea is to keep bringing IFA closer to its members.

If justice is made to the great work of the general reporters this year, during this Congress we shall have two great discussions on our main subjects; the planned seminars are excellent and the quality of all of our speakers this year guarantees the outcome.

Even though it was in formation for a couple of years before that, last year in Rome we formally launched the IFA initiative on the Enhanced Relationship. At that time, a number of discussions took place emphasizing the uniqueness of IFA, for ours is certainly a unique organization.

From our discussions in Rome we were able to identify some Key Issues as expressed within each of the groups. Said key issues include, among many relevant others, ideas like:

- While the benefits from the ER for businesses are clear, mutual trust and mutual delivery are required; accountability and transparency on the behaviour of both parties have to be an essential part of the new culture.

- ERs imply an expectation of a reasonable discussion; this means an expectation of a reasonable position taken by both sides.
- On the other hand, ERs do not mean taxing on any basis other than the law, nor giving taxation preferences to those taxpayers actively involved in the process.
- In other words, ERs should be about behaviour and procedures, not about the level of tax liability.

There are many others Key Issues, but these may give you an idea of the nature of our discussions.

This year we will continue the work of the sectorial groups that started last year in Rome, and we intend to develop this further and eventually to produce conclusions that will allow all of us in IFA to be better at what each of us do.

While we will keep you informed of the results, we would very much welcome similar discussions between all interest groups at the local IFA branch level.

As we have witnessed in the past, reality has always (at least) two faces; the discussion of the relationship between taxpayers and tax authorities is no exception to this rule. First in 1904 and later in 1927, a member of the Supreme Court of Justice of the United States (of which he was a member for more than 30 years), Oliver Wendell Holmes Jr. said:

Taxes are the price we pay for a civilized society

This statement has brought many questions over the years; because we need to ask ourselves, are we willing to pay that

price? Or more directly, what is the price we are actually willing to pay? Part of the answer resides clearly in the object of the price, in the quality of our “civilized society”.

There is a tendency in the world asking us to look at the numerous incorrect ways in which taxpayers behave; the initiatives to discover, prevent and counteract them. We know these initiatives well, and they need to keep being analysed and improved to become useful and legitimate tools in the hands of the governments.

However, as life insists in telling us, there is another face in this reality as well; a face that is asking not the reasons for tax avoidance or its ways, but asking about: what is it that motivates the complying taxpayer to pay?

What is it that makes hundreds of millions of taxpayers in the world to voluntarily file their tax returns timely and correctly calculated?

This new ideology suggests that we need to focus also in the need of a true rule of law, in the need to eliminate differential tax treatments that result in unfairness in the taxation between taxpayers; in the need of transparency and elimination of corruption within the governments.

I am convinced that we are in the right track; that in IFA we are walking the right path to fulfil its original goals, to effectively help advance the international tax law.

Let's keep our eyes on the road while we work so we don't get lost, I invite you all to join us in this journey starting today.

And being the 7:30 hours of the 11th day of September 2011, I hereby formally declare open the 65th Congress of the International Fiscal Association.

I wish you an enjoyable, fruitful and memorable congress week.

Thank you all for your attention.

IEA PARIS 2011