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IFA/OECD/ICC
LUNCH DIALOGUE SESSION REPORT

The future of tax certainty

Wednesday, 8 October 2025 | 12.00-13.00

Chair
Prof. Dr. Robert Danon

Panel members
Sriram Govind (OECD)

Michelle de Niese (CTA)

Dr. Achim Pross (OECD)

Dr. Luisa Scarcella (ICC)

Prepared by IFA Scientific Researcher
Ezgi Arik

1. Introduction

The Lunch Dialogue addressed tax certainty, focusing on discussions with representatives from the OECD, the ICC, and the CTA. The session explored key aspects of tax certainty, including the clarity of policy frameworks, dispute prevention, and dispute resolution mechanisms such as MAP and arbitration. The discussions focused on two key areas: (1) Improving MAP and arbitration through exploring alternatives to MAP and ways to enhance the existing frameworks, (2) Challenges in MAP effectiveness, including practical obstacles, pressure points, and potential measures to improve the outcomes.

2. General Overview of Tax Certainty

The IFA/ICC/OECD Lunch Dialogue began with findings from the questionnaire results gathered from participant responses during the IFA/OECD Seminar. The questionnaire focused on four sample jurisdictions, Germany, Belgium, Switzerland, and Singapore, and assessed three key dimensions of tax certainty: clarity and certainty of policy framework, dispute prevention to avoid unnecessary adjustments, and dispute resolution. The results reflected how participants evaluated each country's performance in these areas (Table 1[1]).

	Clarity and certainty of policy framework	**Dispute prevention to avoid unnecessary adjustments**	**Dispute resolution**
Germany	6-8 74 votes	3-5 102 votes	6-8 36 votes
Belgium	6-8 2 votes	6-8 4 votes	6-8 1 vote
Switzerland	6-8 56 votes	9-10 25 votes	6-8 44 votes
Singapore	6-8 49 votes	9-10 9 votes	6-8 9 votes

The panel members considered the questionnaire a useful exercise, as regular monitoring would be valuable to assess progress and understand how tax environments evolve over time.

The Corporate Tax Association (CTA) representative, Michelle de Niese, emphasized that the companies represented by CTA span a broad spectrum of corporate tax functions, all of

[1] The results presented in this report are derived directly from questionnaire responses collected during the IFA/OECD session. The number of participants providing input for each country was not uniform, and the sample sizes were not controlled for comparability. Accordingly, the findings should not be interpreted as scientific, statistical, or representative assessments of the tax systems discussed. Instead, the results are intended solely to provide an indicative overview of participant perceptions and to offer general insights into the levels of tax certainty observed across the selected jurisdictions.

which consider tax certainty the most critical factor. Over the past decade, numerous changes have been introduced into corporate tax systems, largely focused on integrity and compliance. However, these reforms have not necessarily enhanced tax certainty, even though certainty remains fundamental for both investment decisions and the daily operations of tax departments responsible for running tax systems effectively.

Similarly, the ICC representative, Luisa Scarcella, echoed this view, noting that tax certainty is the top priority for companies across all sectors and sizes. She highlighted that uncertainty often arises from the policy-making process itself, particularly when multiple international initiatives progress simultaneously and are implemented inconsistently. For businesses, dispute prevention is key, as avoiding disputes at the outset is far more beneficial than resolving them later.

Achim Pross from the OECD added that tax certainty should be understood in a broader, macroeconomic context. While tax commissioners who have a mandate may not always be concerned about foreign direct investment (FDI), the decisions they make and the overall approach of the tax administration have substantial implications for FDI flows. Ultimately, for businesses, the issue is not solely about the amount of tax paid but the degree of certainty with which the tax system operates.

3. Addressed Questions

3.1. Question 1: What alternatives to MAP arbitration could be considered, and how can the existing framework be improved?

Achim Pross referred to the recent roundtable at the OECD on tax certainty. First, the discussion addressed how to improve tax arbitration where it already exists. This includes exploring ways to enhance panel composition and procedural quality, drawing on recent developments in Europe, such as the growing role of standing committees on tax arbitration, which might eventually be open to non-European countries. Since international tax arbitration is still relatively new, the key question is how to make the process more effective, accessible, and balanced, ensuring that all parties feel adequately represented. Second, he addressed that the roundtable also examined whether there is scope for developing better dispute-resolution mechanisms beyond the existing arbitration and MAP structures.

Sriram Govind, the representative of the Tax Certainty Unit at the OECD Centre for Tax Policy and Administration, focused on strengthening arbitration from a practical and administrative perspective. He highlighted that while the legal framework is well understood, there is insufficient procedural guidance for competent authorities. The Manual on Effective Mutual Agreement Procedures (MEMAP) provides some guidance, but significant uncertainties remain about how to navigate the administrative steps. He suggested that insights from the Pillar One process could be useful, particularly regarding confidentiality, cost-sharing arrangements, and the selection of arbitrators. Improving procedural guidance would be a major step forward. Alternatives such as independent expert opinions were also discussed.

He also raised the challenge of uneven adoption of arbitration: some jurisdictions include it, while others do not. MAP should be strengthened regardless, and arbitration should serve as an incentive, ideally leading to solutions without ever needing to resort to it. He further pointed to the potential value of non-binding tools, such as expert opinions or additional guidance on possible solutions, especially given capacity constraints in some administrations.

Luisa Scarcella noted that the ICC views arbitration positively. She addressed that it would be useful to examine how challenges in other arbitration contexts have been successfully addressed and whether similar approaches could support improvements in the tax field. She emphasized that both MAP and arbitration face significant challenges, particularly for developing countries. From the ICC’s perspective, tax certainty depends on consistency, coordination, and effective communication. She highlighted that the ICC continues to gather input from its members regarding the problems and practical difficulties they encounter. A key part of the ICC’s role is to bring countries together, facilitating dialogue and helping identify solutions that can strengthen certainty and improve dispute-resolution practices globally.

Finally, Michelle de Niese noted that one of the main concerns with arbitration is the limited control tax authorities feel they have over the process. For example, Australia remains generally reluctant to engage in arbitration. Regarding MAP, the OECD’s guidance highlights fairness and certainty for taxpayers, but the Australian Taxation Office’s (ATO) guidance does not mention these aspects. She further highlighted that MAP is supposed to deliver fairness and certainty to taxpayers; it is not only about relieving double taxation, resolving treaty-related disputes, or protecting revenue.

3.2. Question 2: What practical issues still hinder the effectiveness and timeliness of the MAP process? Where are the main pressure points, and what can be done to move in the right direction?

Sriram Govind responded that before BEPS, MAP worked largely at the discretion of competent authorities, including decisions on whether cases should proceed to arbitration. The introduction of a minimum standard and the work of the FTA MAP Forum, through peer reviews and shared experiences, have strengthened cooperation and increased taxpayer confidence. While significant progress has been made, important issues remain. A key example concerns audit settlements. Although taxpayers should have access to MAP in such cases, auditors sometimes provide different numbers depending on whether MAP will be pursued, creating uncertainty and making the process difficult to manage. These issues are complex and require time to resolve. Further, the chair of the session also alluded to the case in which access to MAP is formally granted but the competent tax authorities refuse to deviate from the position taken at the audit level, thereby not truly endeavouring to resolve a dispute as required by the MAP framework. Other pressure areas concern characterization issues (for example royalties versus business profits) for which the panel discussed the opportunity to develop an APA-like mechanism for non-transfer pricing cases.

Achim Pross further explained that the introduction of a statistics framework by the OECD has been a powerful, country-specific tool for driving change. It creates transparency, encourages improvement, and supports faster resolutions. He noted that establishing common starting dates helps avoid delays, creating a shared incentive to move cases forward. He also highlighted initiatives such as MAP awards, which introduce positive incentives and reinforce constructive behaviour. These measures have created a more positive dynamic, encouraging principled engagement between competent authorities.

Achim Pross also referred to the challenges surrounding indirect taxes, particularly VAT adjustments, which are not covered by MAP. He acknowledged the raised issues and noted that the OECD is following up to better understand them.

4. Conclusion

The panel discussion highlighted that tax certainty remains a central priority for businesses and tax administrations alike which is directly connected to the promotion of foreign investment. While meaningful progress has been made, particularly through the strengthening of MAP processes, increased transparency, and improved international cooperation, significant challenges persist. The panel concluded by underscoring the importance of continued dialogue in advancing tax certainty.