

ABSTRACT

THE GLOBALISATION OF TAX GOOD GOVERNANCE

“This is a unique era where the international tax community, most vocally represented by developed countries mainly through the OECD/G20 is engaged in a global fight against tax evasion/avoidance. It is thought that lack of tax cooperation increases the risk of cross-border tax evasion and avoidance. Apart from the traditional notions of cooperation/assistance and exchange of information commonly viewed as instrumental in the fight against tax evasion/avoidance, another concept has emerged – that of good tax governance or tax good governance or fiscal good governance.

Notwithstanding the uncertainties surrounding tax good governance, it is acquiring increasing importance and institutional backing, both internationally and within the European Union. However, there seem to be many facets of tax good governance and it is not always clear what the term actually covers. It would seem that from the perspective of international organisations such as the OECD and the UN, the focus is on the relationship/cooperation between governments and to a lesser extent, between governments and taxpayers. There is also an emphasis on developing countries and domestic resource mobilisation. This is still very much a soft law approach. The many facets of this concept will be examined in the following sections and an attempt will be made to determine whether the soft law qualities of this concept are gradually morphing into hard law, especially in the context of the European Union. The paper will examine the implications of this approach and the paradox that it creates.”