ICRICT at the Conference: "Global Minimum Tax and Investment Attraction: Tax Policy Options for Uruguay

On May 21st, Verónica Grondona , Senior Policy Advisor at ICRICT, participated in the conference "Global Minimum Tax and Investment Attraction: Tax Policy Options for Uruguay," co-organized by the Center for Economic Research (CINVE) and the Parliament of Uruguay. The event was attended by Gabriel Oddone Paris, Minister of Economy and Finance of Uruguay; Sebastián Valdomir, President of the Chamber of Representatives of Uruguay; José Antonio Ocampo, Commissioner of ICRICT, as well as other experts and officials such as Álvaro Romano, Álvaro Ons (CINVE), Pablo García (BID), Gustavo Viñales (CINVE), Juan Pablo Jimenez (CINVE) and Isabella Antonaccio (MEF, Uruguay).

In three well-organized panels, the discussion focused not only on the Global Minimum Tax and the possibilities for countries in the Global South to avoid transferring taxes to those countries—mainly OECD countries—that have already implemented it; but also on the effectiveness of tax incentives in achieving the proposed objectives in the region and in Uruguay.

The first panel featured Gustavo Viñales (CINVE), Álvaro Romano (Director of Tax Consulting, MEF), moderated by Juan Pablo Jimenez (CINVE), and Verónica Grondona (ICRICT) presented on the Global Minimum Tax, its characteristics, and the possibilities for the region."

Grondona discussed the current international context, which countries have already implemented a qualified local minimum tax under the design provided for in the model rules of Pillar 2 of the OECD - OCDE,Inclusive Framework, and which countries have implemented an alternative minimum tax, and commented on what is expected to happen with the US and China. Concluding that for countries with tax incentives, these not only result in a transfer to OECD jurisdictions - when they reduce the effective tax rate below 15% - but at best have lost their effectiveness.

In the final panel, José Antonio Ocampo, ICRICT, commissioner, presented Colombia's experience with the tax reform implemented during his tenure as Minister of Finance and Public Credit, with particular emphasis on the alternative minimum tax implemented at that time.

José Antonio Ocampo also encouraged Uruguay to participate in the Latin American and Caribbean Tax Platform (PT LAC), a unique space in the region for policy coordination, the exchange of best practices, and the strengthening of negotiating capacities in global tax fora.