Supranational power towards the Dutch Caribbean islands

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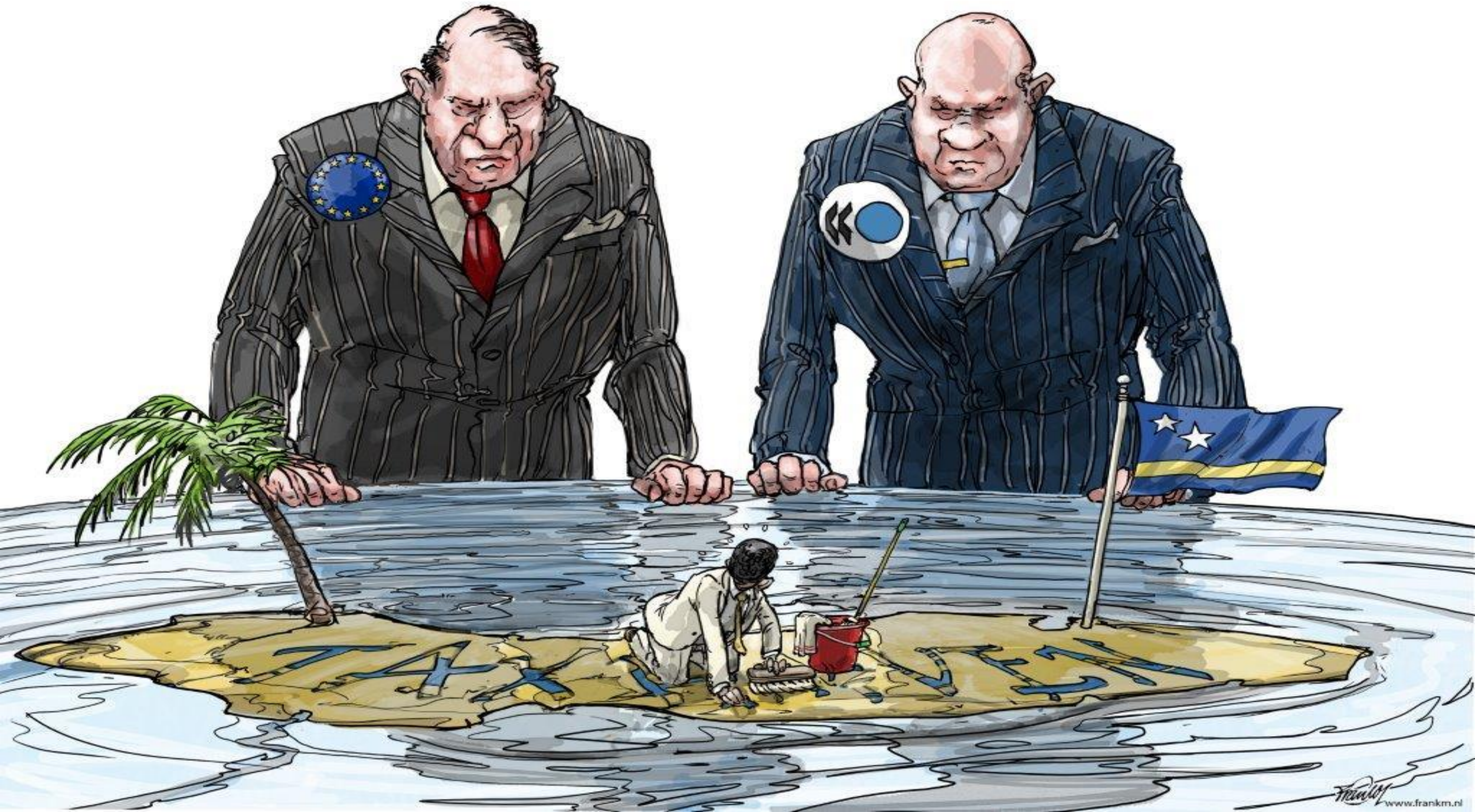
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Program

1. Defining sovereignty
2. Tax sovereignty and the BEPS project
3. The Dutch Caribbean islands & the power to tax
4. Conclusion

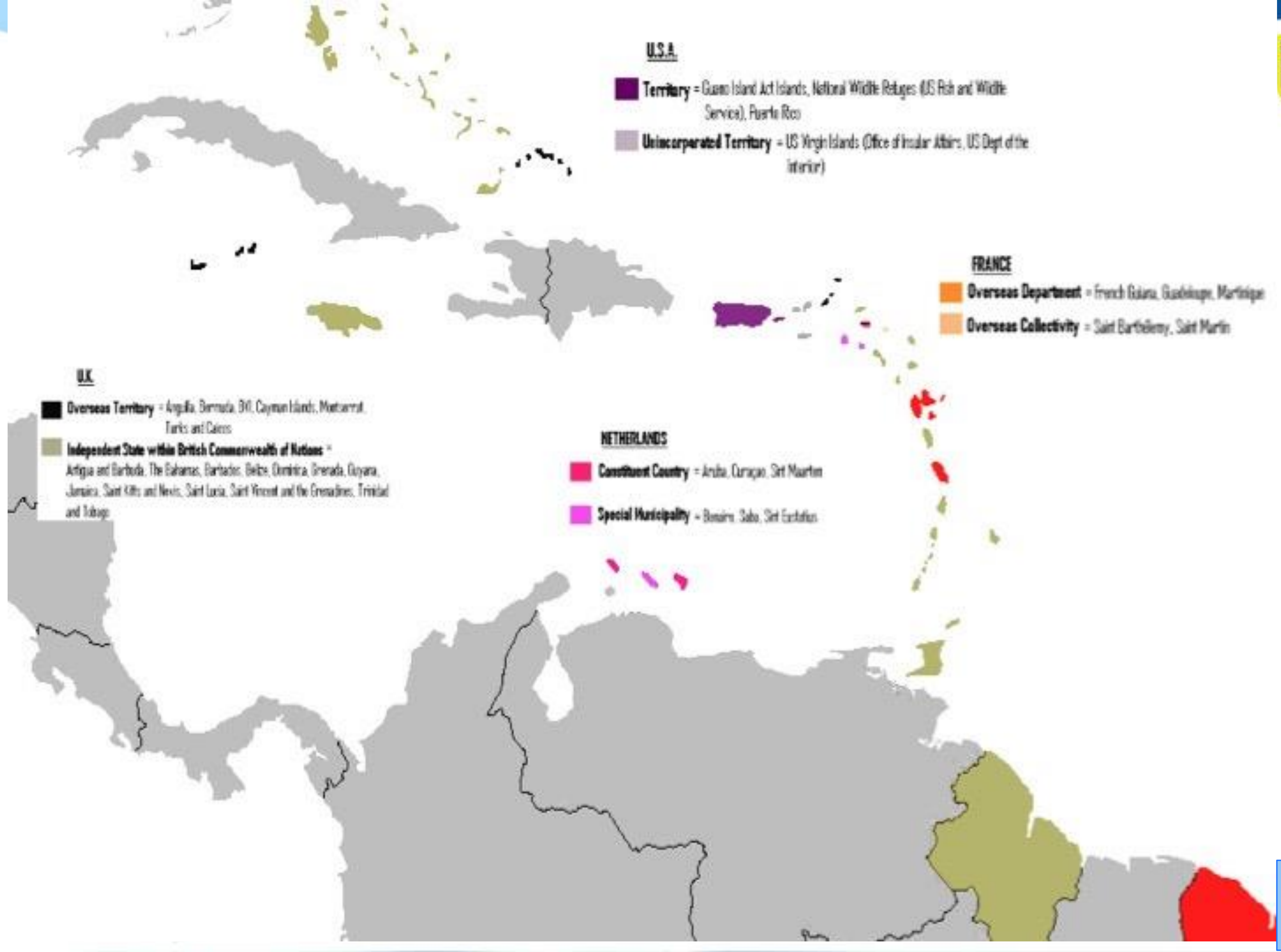
Sovereign states & non-sovereign states

1. **Sovereign states**
2. **Subnational jurisdictions**
3. **Non-sovereign territories**
    - Dutch Caribbean islands

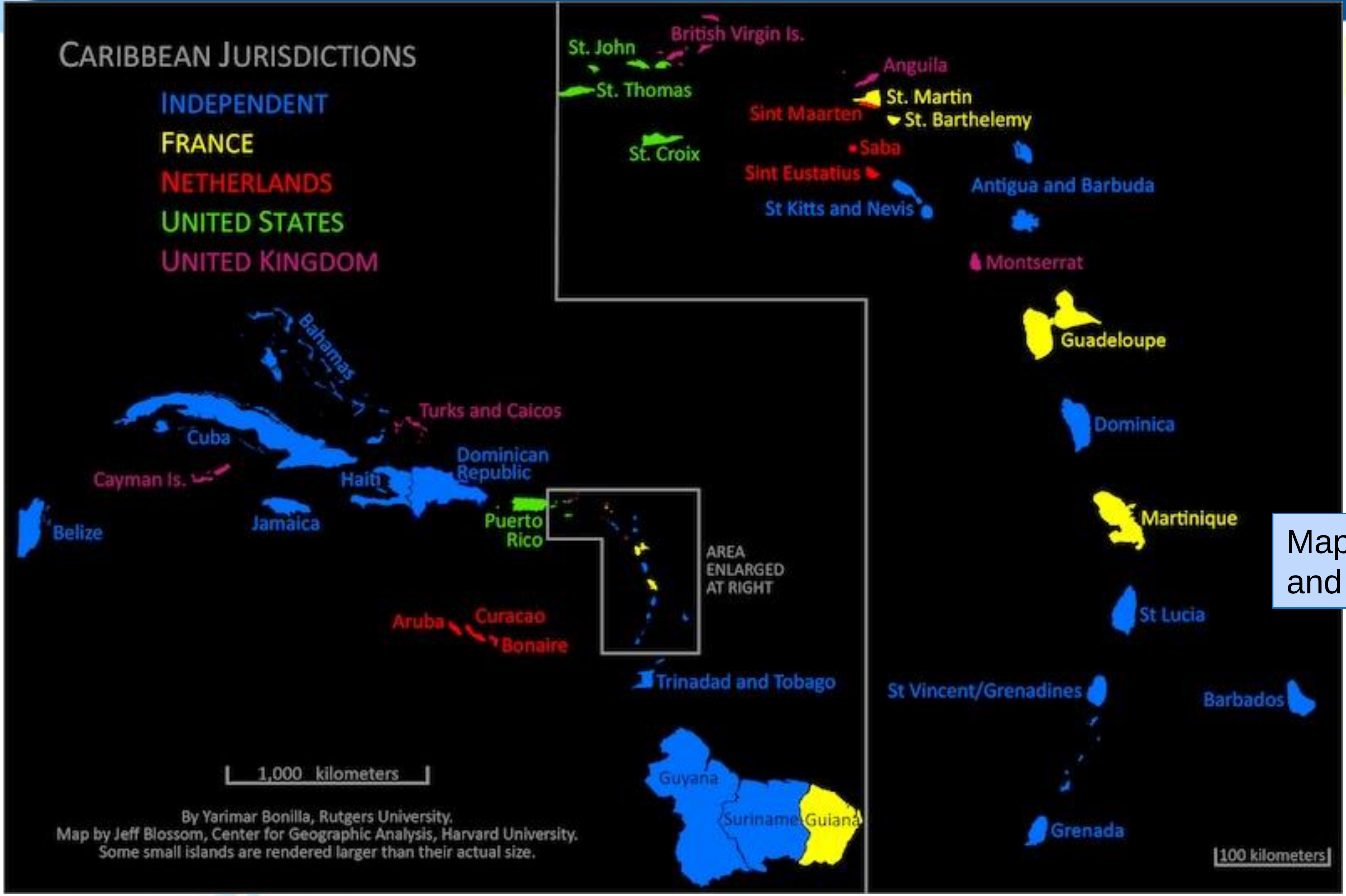
Sovereign states and non-sovereign states

Sovereign continental states	Sovereign island/archipelagic states	Non-sovereign countries
Belize	Antigua and Barbuda	Anguilla (*United Kingdom-UK*)
Brazil	Bahamas	Aruba *(Netherlands-NL)*
Colombia	Barbados	Bonaire *(NL)*
Costa Rica	Cuba	British Virgin Islands (*UK*)
Guatemala	Dominica	Cayman Islands (*UK*)
Guyana	Dominican Republic	Curaçao *(NL)*
Honduras	Grenada	French Guiana *(France-FR)*
Panama	Haiti	Guadeloupe (*FR*)
Mexico	Jamaica	Martinique (*FR*)
Nicaragua	Saint Kitts and Nevis	Montserrat (*UK*)
Suriname	Saint Lucia	Puerto Rico (*United States of Amercica-USA*)
Venezuela	Saint Vincent and the Grenadines	Saba (*NL*)
United States of America	Trinidad and Tobago	Saint Barthélemy (*FR*)
		Saint Martin (*FR*)
		Sint Eustatius *(NL)*
		Sint Maarten *(NL)*
		Turks and Caicos Islands (*UK*)
		United States Virgin Islands (*USA*)

Source: author based on [67].



Map created by
Landon Yarrington in 2011



Map created by Jeff Blossom and Yarimar Bonilla in 2015

By Yarimar Bonilla

The power to tax

An exercise of sovereign power

A carte blanche to tax?

Allocating taxing powers: the Financial Committee of the League of Nations (1921)

OECD Harmful tax competition

- No or low income taxes
- Ring-fencing regimes
- Lack of transparency
- Lack of exchange of information

“MINISTERS RECOGNIZED THAT TAX COMPETITION COULD IN FACT BE HELPFUL, AND NOT HARMFUL, BECAUSE IT CAN FURTHER SPUR GOVERNMENTS TO CREATE FISCAL ENVIRONMENTS CONDUCTIVE TO GENERATING GROWTH AND EMPLOYMENT” – COMMONWEALTH FINANCE MINISTERS COMMUNIQUE, SEPTEMBER 2000.

The BEPS Project

Coherence
- Hybrid Mismatch Arrangements (2)
- Interest Deductions (4)
- CFC Rules (3)
- Harmful Tax Practices (5)

Substance
- Preventing Tax Treaty Abuse (6)
- Avoidance of PE Status (7)
- TP Aspects of Intangibles (8)
- TP/Risk and Capital (9)
- TP/High Risk Transactions (10)

Transparency
- Methodologies and Data Analysis (11)
- Disclosure Rules (12)
- TP Documentation (13)
- Dispute Resolution (14)

Digital Economy (1)

Multilateral Instrument (15)

Blacklisting

EU LIST OF NON-COOPERATIVE TAX JURISDICTIONS

NO COMMITMENT TO ADDRESS EU'S CONCERNS	DID NOT DELIVER ON THEIR COMMITMENT ON TIME	MAJOR TRANSPARENCY CONCERNS
American Samoa	Aruba	Trinidad & Tobago
Guam	Barbados	
Samoa	Belize	
US Virgin Islands	Bermuda	
	Dominica	
	Fiji	
	Marshall Islands	
	Oman	
	United Arab Emirates	
	Vanuatu	

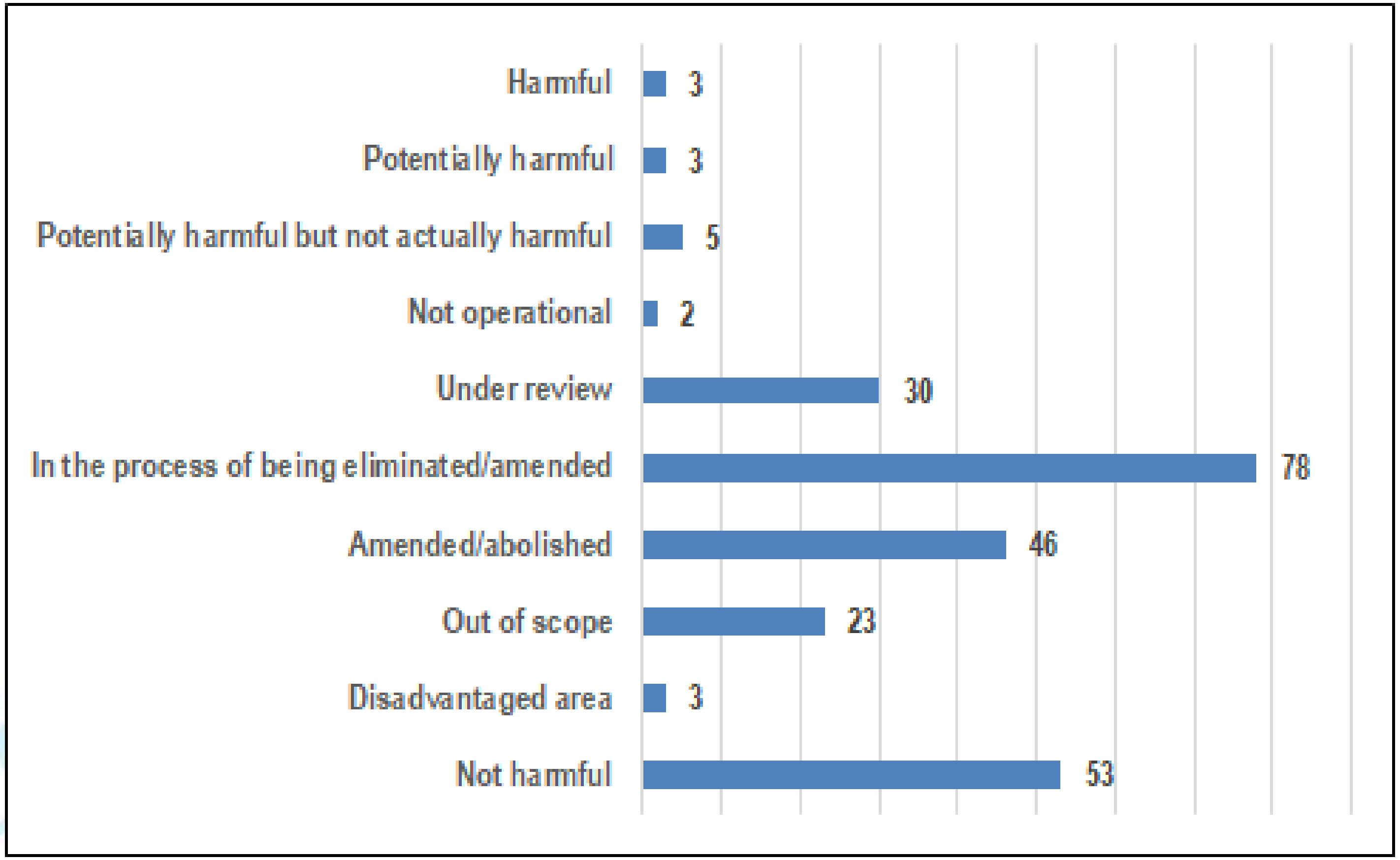
■ JURISDICTION STAYED IN ANNEX I (*Blacklist*)

■ JURISDICTION MOVED FROM ANNEX II (*Greylist*) TO ANNEX I (*Blacklist*)

European Commission

March, 2019

OECD releases latest results on preferential regimes



Concluding

It is not only about sovereignty, it is about **power**

Islands do not have an effective power on their own

The powerful states are setting the standards

Using tax power in the modern world leads to less tax sovereignty