

TAX MORALITY IN THE MULTINATIONAL ENTERPRISES' TAX PLANNING STRATEGIES

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TAX AVOIDANCE

Is the legal but improper utilisation of the tax regime to reduce or avoid tax liabilities.
 Nonetheless, in some cases it could be illegal when there is abuse of tax law.

TAX EVASION

Is a form of deliberate evasion of tax which is punishable under criminal law.
 It means a concealment of tax information to tax authorities.

THE CONUNDRUM

To comply with tax laws with tax morality
 vs.
 To maximize profits by minimizing tax liabilities (within the Law)

AGGRESSIVE TAX PLANNING

A halfway point

MNE takes advantages of loopholes when two or more tax legal systems interact for the purpose of reducing tax liabilities

NOT ILLEGAL BUT IT IS NOT SEEN AS AN ETHICAL TAX BEHAVIOUR BY SME AND CITIZENS

Otherwise

Starbucks's boycott in 2012.
 Worse Reputation

Better company's reputation

A helpful tool

INTERNATIONAL TAX PLANNING

MORALITY COMPONENT

FAIR TAXATION & TAX JUSTICE

Corporate Social Responsibility
 Voluntarily, MNEs go beyond what the law requires for achieving social objectives. A fair tax planning could enhance the MNE's reputation