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Searching for sustainability

Relationships between States and within States

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Sustainable tax relationships between and within States

- What is a sustainable relationship?
- Temporal element and substantive element
- What are the different perspectives from which to address the need for sustainable relationships?

Three statements:

- The world of international taxation is cooperative: States help each other and rely on each other with carrying out essential tax functions;
- The world of international taxation is competitive: States use their tax systems to outdo the competition in attracting economic activity;
- The same principle of domestic, supranational and international (tax) law allows for both outcomes.
- But how do they relate to sustainable relationships?

Sovereignty and its mobilisations in tax law

- Cooperative sovereignty: DTA's, OECD BEPS agreement, exchange of tax information agreements (voluntary and coming from a shared goal & reciprocity).
- Competitive sovereignty: using the tax system to attract economic activity.
- The legal question of sovereignty in steering the both is of a permissive nature.

The blending of cooperation and competition and how to find a balance

- Pillar II and its 'devilish' logic.
- The EU's Carbon Border Adjustment Mechanism and its extraterritorial effect. See also new UK CBAM (as of 2027).
- Are these competitive or also at the same time cooperative?

How to move further?

- Learning from the federal State in the international / supranational setting: *Bundestreue* and 'Sincere Cooperation'.
- Looking not solely at sovereignty, but also at the exercise: a role for foreign relations law?
- Steering towards process-legitimacy instead of solely goal-oriented legitimacy of international rules.