

**Session:** *Big Data, Big Brother and the Tax Function*

**Presenters:** *Arthur Cockfield (Queen's University), Pooja Mihailovich (Oslers), and Peter van Dijk (PWC)*

**Session Description:** *Changes in technology have fundamentally altered the tax compliance landscape and the ability of tax authorities to gather and analyze taxpayer information. This session will review the trend to transparency, including global exchange of information agreements as well as non-traditional sources of data such as leaks through media organizations. The panelists will also consider the responses of taxpayers and their advisors.*

---

### Outline of Presentation

- I. Formal Information Sharing: TIEAs and CbC Reporting
  - (a) Tax Information Exchange Agreements
    - (i) What are TIEAs? Information exchange with countries Canada does not have tax treaties with (generally tax havens); helps CRA address tax evasion
    - (ii) What countries does Canada have TIEAs with? 23 in force, 2 signed, 5 under negotiation, plus most tax treaties include information exchange
    - (iii) Implications for taxpayers
  - (b) CbC Reporting
    - (i) What is CbC Reporting? Particular reporting by MNEs for each tax jurisdiction in which they do business
    - (ii) When is it required? For MNEs (>€750 consolidated revenues)
    - (iii) Implications for taxpayers
2. Leaks: Panama Papers, Paradise Papers, etc.
  - (a) Public scrutiny: International Consortium of Investigative Journalists (ICIJ); searchable online databases; heavy media attention; leaks from advisory firms
  - (b) Older leaks: Offshore Leaks (Apr 2013; 130,000 offshore accounts), Luxembourg Leaks (Nov 2014; PwC), Panama Papers (Apr 2016; 11 million documents; 200,000 offshore entities; Mossack Fonseca), Paradise Papers (Nov 2017; 13 million documents; 120,000 persons; Appleby)
  - (c) What can we expect in the future?
3. Responses of Tax Authorities and Taxpayer Advisors
  - (a) Anticipate information sharing via TIEAs
  - (b) Increased compliance costs re CbC reporting
  - (c) Anticipate future leaks
  - (d) Awareness of tax morality – technical tax compliance may not save a company's public reputation following a media-facilitated leak.
    - (i) E.g. damaging impact for individual or company with any connection to an offshore entity (i.e., reputational risk even without fraud / evasion)