



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

Raising Tax Certainty Virtual Seminar

28 March 2024



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GAARs and Tax Certainty

Name: Bruno da Silva

Title: Legal Advisor

Jurisdiction/Organization: Financial Services Bureau, Macao SAR



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Relevance of GAARs



01

GAARs are part of modern tax systems

02

Several countries have implemented GAARS into their domestic laws

03

Also an international standard in the context of DTAs



Relevance of GAARs



Why GAARs become necessary?

1

Need for a default provision as legislation cannot cover every issue

2

GAARs generally prohibit transactions that claim a tax benefit in abusive manner

3

SAARs although providing more certainty they are typically reactive



GAARs and tax certainty



GAARs may contribute to uncertainty

Broad wording and discretion of tax authorities



Targeted application

May actually not jeopardize certainty if addressing specifically targeted abusive schemes as opposed to stretching the interpretation of the law to achieve certain results

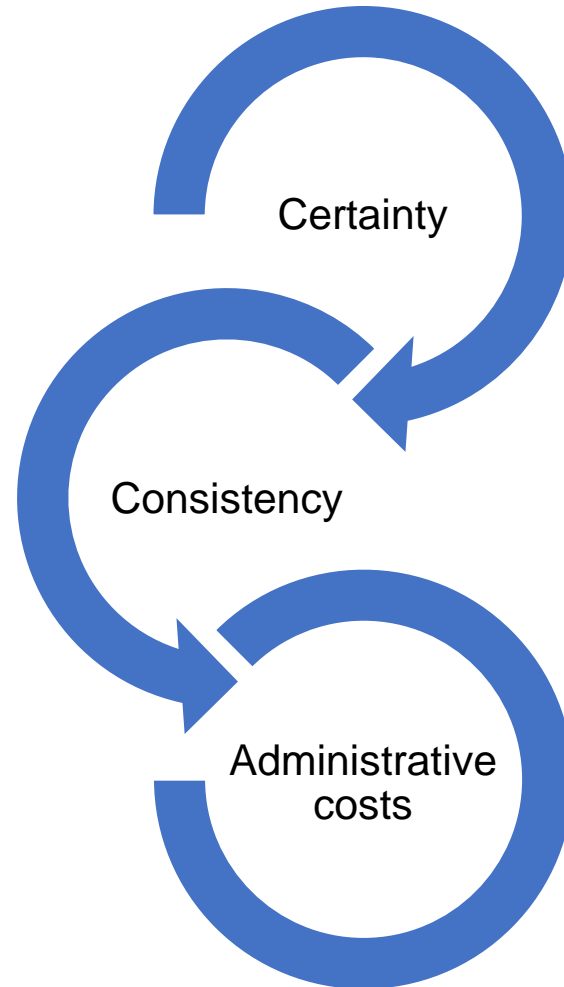


GAAR design and administration

The design of appropriate safeguards (e.g. burden of proof) and GAAR Administrative framework are crucial for providing certainty

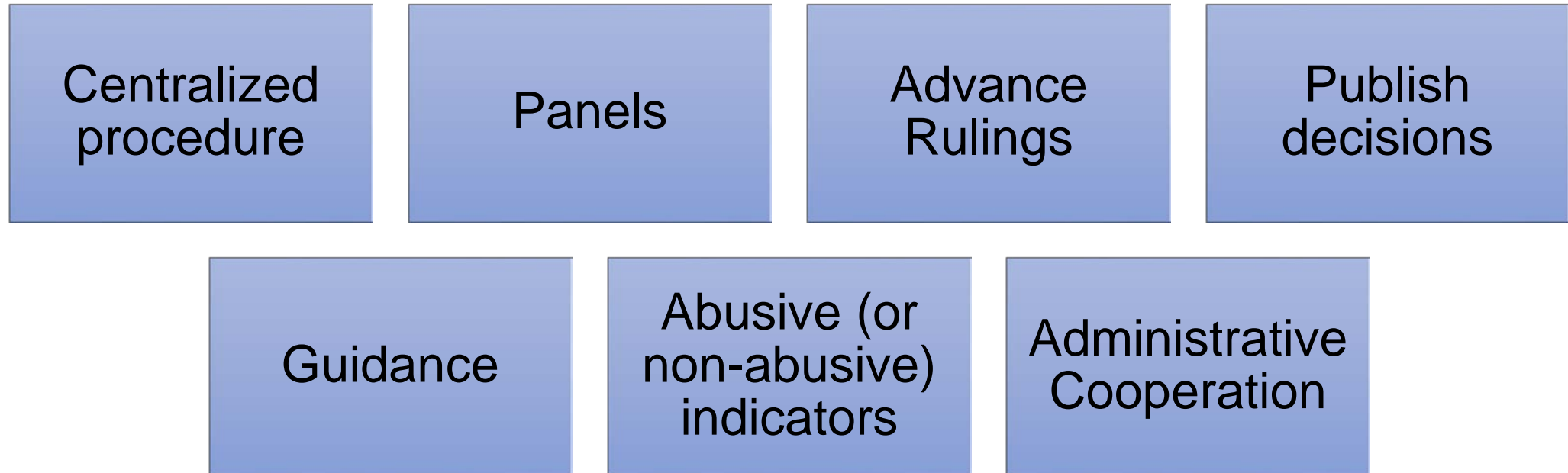


GAARs and tax certainty





GAAR Administration





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THANKS