

## Accountancy Europe

### Call for Contributions

#### **Accountancy Europe calls for contributions on future sustainable tax systems.**

Calls for contributions will be made on a thematic basis – the first topic to address is taxes and the environment. We invite experts in this field to submit their contributions by 30 June 2021 to [paul@accountancyeurope.eu](mailto:paul@accountancyeurope.eu) to help drive forward the policy debate in this area.

As I begin to write this contribution on World environment Day 5<sup>th</sup> June 2021, themed “Ecosystem Restoration” <https://www.genevaenvironmentnetwork.org/world-environment-day/>, I cannot help but live in the hope that we shall continue to retain this beautiful earth to celebrate in the foreseeable future.

The Paris Agreement (a legally binding international Treaty on climate change) entered in to force in 2016 <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>. Its goal is to limit global warming increases to well below 2, preferable 1.5 degrees Celsius, compared to pre-industrial levels. To achieve this long-term temperature goal, countries are aiming to reach a global peaking of greenhouse gas emissions immediately to achieve a climate neutral world by 2050.

The basic conditions of life are threatened with an increase of at least 3.2 degrees Celsius of climate change. This has been reflective in many reports and recommendations from experts around the world including for example Green Facts (The Green Facts initiative is a non-profit project with an independent Scientific Board and non-advocacy policy) please find reference herewith: <https://www.greenfacts.org/en/impacts-global-warming/l-2/index.htm>

With rising temperatures and an increase in natural disasters the foreseen consequences are imminent and the counter measures to date established appear insufficient.

Sustainability in climate change requires consideration not only in areas of air pollution, but in considering ecological challenges, biodiversity losses, effects on water resources and eco-refugees <https://www.unhcr.org/en-ie/climate-change-and-disasters.html> etc. It is difficult to match climate change with consideration to the purpose of business which is that to make a profit. However, it is impossible to solve one aspect without due consideration of the other. One must consider that this is not just a problem of citizenship which impacts the business world, but also of reputation, the potential and ability of accessing natural and other resources, financial impact of same and how this is impacted by intricate and/or insufficient legislation. Couple that with the situation in the EU, whereby member states are encouraged to retain their individuality and cultures which are combined to achieve a certain level of unity. We should consider this as a strength in working together to achieve harmony of climate change and consider implementing policies which complement each country in their endeavours to strive for EU unity whilst retaining individual purpose.

There is a necessity to consider the availability and potential use of natural resources between the public and private sector perspectives when considering the future of sustainable tax systems. Consider the following in determining the application of taxes from a national level to a global one:

1. Determination of the measurement of the performance of an organisation (corporate/private sectors).
2. Capacity of usage from a societal perspective i.e., determination of the measurement of the usage in the public sector.
3. The measurement of use by the public sector is the section requiring valuation and a determination of applicable or potential taxes accordingly.

The assessment relating to the public sector for the personal use of natural resources shall require perhaps a strong hand and silk glove approach as there may well be opposition with the introduction of a unified “environment tax”. The greater the personal use of natural or other resources which are not environmentally friendly, the greater the charge to the environmental tax applies. The measurement of personal use of resources by the public sector shall require consideration of the imposition of tax on usage, management of water treatment systems, use of fossil fuel resources, demand for digitalisation, handling of waste disposals and use of other natural resources.

Whilst I acknowledge, that such taxes may already be implemented in a number of EU member states in consideration of the above a complete overhaul is required.

Where a nation is not complying with minimum standards of management from an ecological point of view, then due consideration to the application of penalties and taxes should be imposed, or a reduction of qualifying subsidies could also be considered therewith.

**A Risk Assessment** in developing countries should be conducted and a differentiation on the application of certain types of taxes should also be considered.

Attached please find the following summaries for your perusal in consideration of the above: **POLLUTION DANS LE MONDE CO2 PAR HABITANT PAR PAYS**

1. Country by country Pollution Report 2019
2. Country by Country Pollution Report Expanded 2019
3. PIB Par Pays et Par Pays par Habitant 2019

Discussions on imposing unified tax charges on the wealth of individuals within the EU across each nation together with a unified corporate tax rate has long been considered. Is a corresponding unified reform of expenditure required in relation to taxation applied on those corporates and is an overhaul of the redistribution of those wealth taxes required also? It will require ingenuity to rethink entire complex tax systems, however, is time running out?

The debate of invoking Article 116 of EU Treaty Law [https://www.europarl.europa.eu/doceo/document/E-9-2020-005215\\_EN.html](https://www.europarl.europa.eu/doceo/document/E-9-2020-005215_EN.html) to ensure an EU corporate tax base (CCCTB) may require greater time and remove trust from an already delicate presence within the EU, i.e., dealing with the difficulties of BREXIT.

In attempting to arrive at a global solution, the sharing of information between member states, in a secure environment incorporating adaptable and enhanced polices on digitalisation across jurisdictions is inevitable. Welcome to the 21<sup>st</sup> Century.

The imposition of a globalised digitalised tax rate (DST) is of greater immediate importance given the worlds current position in dealing with the impact of a pandemic.

Covid-19 has added another wave of loans to our already debt-ridden economies and brought further inequalities between nations. The pandemic is a reminder however, that in experiencing our humility we can thrive in uniting. Government intervention immediately grappled with the crisis and restored their lost management in globalisation and digitalisation. It is imperative to now look to creating sustainable tax policies for our future.

The imposition of a globalised digitalised tax rate (DST) maybe used as a tool to manage behaviours and penalise organisations acting ultra vires in the sustainability efforts of climate change. Revenues received from environmental taxes applied to both public and private sectors may then be re-directed to supporting the sustainability climate change challenge.

The imposition of taxes whether corporate or other, require careful consideration so as not to impact the balance of neutrality and individuality of our nations within the EU.

It is imperative from a reporting perspective that increased transparency to record the determination and application of different taxes and the company's efforts in complying with climate change obligations are implemented into the reporting legislative framework.

Within the next 10 years, a failure to implement sufficient policy in achieving adequate improvement in climate change, may result in social unrest within our society as our world attempts to cope with natural disasters because of such climate change catastrophise.

Whatever is determined is required immediately and a unified approach is desired.

*Melinda Maupeu*

**Melinda Maupeu CPA, CTA, CTax**

Quality Assurance Executive

**The Institute of Certified Public Accountants in Ireland (CPA Ireland)**

### **Declaration**

*The opinions and recommendations included herewith are not necessarily representative of the views of the organisation with whom I am employed.*

## **BIO Melinda Maupeu**

Retaining qualifications in Forensic Accounting and US GAAP, Melinda Maupeu is a qualified Certified Public Accountant of Ireland (CPA) -CPA Ireland, Chartered Tax Adviser (CTA)- Irish Tax Institute and Certified Tax Adviser (CTax) - CPA Ireland.

Melinda spent 25 years working in the South of Ireland in private practice gaining experience in accounting, audit, taxation and was the designated individual responsible for ensuring compliance obligations particularly in the provision of technical support and the preparation of submissions presented under the Irish Legal System.

In 2018 Melinda joined CPA Ireland one of Irelands leading accountancy bodies and conducts the Institutes programme of quality assurance reviews for selected practices, including on site & offsite reviews, throughout Ireland.

She may on occasion present seminars/webinars on the technical and legislative updates through CPA Irelands CPD programme to members.

She currently serves on both CPA Irelands Auditing Practices Sub-Committee and Taxation Sub-Committee providing assistance, support and technical input to the Committees in their consideration of relevant legislation and in the implementation of strategies & policies of the Institute.

### **Declaration:**

I, Melinda Maupeu, hereby wish to confirm that all the information included herewith is a true and fair representation of my qualifications and experience.

**I further authorise Accountancy Europe to access and utilise my photo included on LinkedIn for the purposes of attaching to this BIO.**

I trust the above is to your satisfaction.

Kind regards,

*Melinda Maupeu*

**Melinda Maupeu CPA, CTA, CTax**

Quality Assurance Executive

**The Institute of Certified Public Accountants in Ireland (CPA Ireland)**

17 Harcourt Street, Dublin 2, D2 W963