

Annex B. Methodology – Business

Data

In October 2016, the OECD launched a business survey on taxation to gather the views of businesses regarding the sources of tax uncertainty and on the possible solutions to foster greater certainty in the tax system. The survey was open between October and December 2016, targeted senior tax professionals and received 724 responses from firms headquartered in 62 different countries and with regional headquarters in 107 different jurisdictions. In the case of Africa, Asia and Latin America, more than 91% of firms were MNE's with a global and regional headquarter. Among the respondents, the top five countries of global headquarters were Bulgaria, the United States, Italy, Japan and Germany (in order of number of respondents). The top five countries for regional headquarters are slightly different from those by global headquarters. Most respondents have regional headquarters in the United States, United Kingdom, Singapore, Germany, the People's Republic of China and Mexico (in order of number of respondents). Additionally, although some jurisdictions are not represented as the base for global headquarters, they are well represented as a base for regional headquarters. For example, this is the case for the People's Republic of China and Singapore. For a more developed description of the methodology please see the IMF/OECD Report for the G20 Finance Ministers on "Tax certainty" (IMF/OECD, 2017^[1]).

Methodology

For the current analysis, responses have been aggregated by region: Africa, Asia, LAC and OECD. They have been aggregated using simple averages and testing if means of Africa, Asia and LAC were statistically significant to that of the OECD simple average. This approach provides different numbers of observations in each region, and also has different numbers of observations per country, however a single country never represents more than 35% of the responses for a single region. For questions where respondents were asked to give answers without reference to a specific country, the approach taken was to include for analysis for each region those respondents which have identified having either a global or regional headquarters in a region. This approach does mean that some responses are included in multiple regions, reflecting the multi-regional nature of their companies' operations. Table B.1 and Table B.2 provide more complete details on the regional breakdown.

Table B.1. Regional breakdown of number of countries and firms included in data for Figure 2.5 and Figure 2.7

	Global HQs		Regional HQ		Total (GHQ + RHQ)	
	Countries	Firms	Countries (additional to HQ)	Firms	Countries	Firms
Africa	7	24	5	25	12	49
Asia	7	25	21	192	28	217
LAC	10	78	11	84	21	162
OECD	33	456	0	59	33	515

Note: Questions where responses were provided in relation to the views of the respondent generally, not in relation to a specifically cited country.

Table B.2. Regional breakdown of number of countries and firms included in data for Figure 2.4 and Figure 2.6

	Countries	Number of firms
Africa	26	92
Asia	33	299
LAC	23	231
OECD	33	587

Note: Questions where responses were in relation to a specifically cited country

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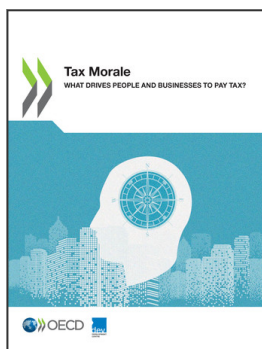
Notes

¹ Note by Turkey:

The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the “Cyprus issue”.

Note by all the European Union Member States of the OECD and the European Union:

The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.



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