GLOBAL ALLIANCE FOR TAX JUSTICE

Glossary - Tax and Gender

The Global Alliance for Tax Justice's Tax and Gender Working Group has initially created this glossary for the publication *Framing Feminist Taxation - With Examples From Uganda* (2021). The members will keep it up to date, so the glossary can be a resource for anyone interested in diving deeper into tax justice for women's rights.

Last update on 23 April 2021.

Automatic tax information exchange	A system of tax information exchange whereby jurisdictions tax authorities automatically share information on a taxpayer's assets with the home jurisdiction of that taxpayer. Civil society organisations want to see a multilateral agreement for tax havens to share information automatically with all other jurisdictions.
Base Erosion and Profit Shifting (BEPS)	Working together within OECD/G20 Inclusive Framework on BEPS, over 135 countries and jurisdictions are collaborating on the implementation of 15 measures to tackle tax avoidance, improve the coherence of international tax rules and ensure a more transparent tax environment. However, only the countries who form the OECD have the right to vote, which reduces developing countries to truly participate in the process. That is why the international tax movement requires a UN tax body to develop the international tax reform.
Beneficial ownership	The real person or group of people that control(s) and benefit(s) from a corporation, trust or account. All beneficial ownership information of companies and trusts should be made public in an accessible registration.
Bilateral Aid	Assistance given by a government directly to the government of another country, normally from a developed country to a developing one.
Bilateral investment treaty (BIT)	An agreement establishing the terms and conditions for private investment by nationals and companies of one country in another one. This type of investment is called foreign direct investment (FDI).
Beijing Declaration and Platform For Action (BPfA)	Adopted by governments at the 1995 Fourth World Conference on Women, this document sets forth governments' commitments to enhance women's rights.
BRICS	A group of five countries (Brazil, Russia, India, China, and South Africa) with a growing influence and impact on regional and global issues due to their emerging economies, that since 2009 have met annually at formal summits.

Budget	A comprehensive statement of government financial plans including expenditures, revenues, deficit or surplus, and debt. The budget is the government's main economic policy document, indicating how the government plans to use public resources to meet policy goals. As a statement of fiscal policy, the budget shows the nature and extent of the government's impact on the economy. The budget is prepared by the executive and then generally is submitted to the legislature to be reviewed, amended, and adopted as law. The budget preparation process begins many months before the start of the fiscal year covered by the budget, so that it can be enacted into law before the fiscal year begins.
Budget analysis	Budget analysis focuses on "critically evaluating the budgetary allocations made in the beginning of the fiscal year and tracking expenditure undertaken on the basis of these allocations to determine the extent to which the policy translates into outcomes"
Capital gains taxes	A tax on the profits from the sale of capital assets such as stocks and shares, land and buildings, businesses, and valuable assets such as works of art.
Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)	The "women's bill of rights" is a cornerstone of all UN Women programmes. More than 185 countries are parties to the Convention.
Civil Society Organisations (CSO)	Non-governmental, generally not-for-profit, not representing commercial interests, and pursuing a common purpose for the public interest.
Consumption taxes	Most countries apply consumption taxes such as value added tax, general sales taxes, and excise taxes. They are indirect taxes, which is levied equally upon taxpayers, what makes them affect proportionally more the poorest. And since women are usually poorer, they are the ones who proportionately pay more the consumption taxes.
Corporate Income Tax	Taxes on the profits made by limited liability companies and other similar entities. The tax is generally imposed on net taxable income, specified in the company's financial statement. Also referred to as corporate taxes
Country-by-country reporting	A new reporting obligation that requires multinationals that meet certain conditions to file annually a report containing high-level data on the global allocation of the MNE's income and taxes, and certain other measures of economic activity, by country. It is one of the first outcomes of the G20/OECD BEPS Action Plan.
Debt	The accumulated amount of money that the government owes. It can be internal or external (i.e., debt owed to creditors outside of a country, including debt owed to private commercial banks, other governments, or

	international financial institutions such as the World Bank and International Monetary Fund).
Developed country	This is a term used to refer to relatively wealthy and technologically advanced countries in which most people have high life expectancies, access to education, and a GNP per capita of more than US$11,115 in 2008.
Developing country	This is a term used to refer to low- and middle-income countries in which most people have a lower standard of living with access to fewer goods and services than do most people in high-income countries. The 172 countries in this group include states which are variously labelled as developing countries, underdeveloped countries, low-income countries, Majority World, the South, Global South or the Third World. These nations generally have low levels of technology, basic living standards and little in the way of an industrial base. Their economies are mainly agricultural and are characterised by cheap, unskilled labour and a scarcity of investment capital.
Development	This long-term process begins with meeting the most basic human needs of people—food, clean water, good health, shelter. It includes the chance to get an education and earn a living in a society where human rights are respected and where women, as well as men, can participate fully in the life of their communities. At the same time, it also involves building an infrastructure that provides essential services for all and an economy that encourages innovation and respect for the environment.
Direct taxes	Taxes that are charged on physical or legal persons directly upon their salary, profits, dividends, rents or other types of income. Also on property and wealth. They are a progressive taxation, where those who have contribute proportionately more.
Double tax agreement (DTA)	Treaty between two countries to restrict source and residence taxation rights with the aim of alleviating double taxation and allocating taxing rights between the parties. However, often DTAs often shift the balance of taxing rights away from countries in the Global South.
Effective Tax rate	The effective tax rate is the percent of their income that an individual or a corporation pays in taxes. The effective tax rate for individuals is the average rate at which their earned income, such as wages, and unearned income, such as stock dividends, are taxed.
Equitable taxation	Equitable taxation refers to tax policies that reduce income, wealth or other social inequalities. Horizontal equity refers to persons and businesses in similar circumstances in terms of their welfare who should be treated in a similar manner, while vertical equity refers to the idea that people with a greater ability to pay taxes should pay more.

Excise tax	These are taxes usually imposed on a limited range of goods, such as luxury goods, or on products that can have a harmful impact on the consumer.
Export processing zone (EPZ)	An artificial ring-fenced territory within a state, in which export-orientated industries with little interaction to domestic markets operate while the usual laws and regulation are suspended or relaxed.
False invoicing	A similar practice to transfer-pricing abuse, but between unrelated companies.
Feminist Economics	Feminist economics promotes economic equality between women and men. The activities, behaviour and decisions of men and women have a major impact on our economy. But mainstream economics has a tendency to be based on men's lives and recognises only work that is done for money. A feminist economics perspective recognises the paid and unpaid work of both men and women - Women's Budget Group, UK. https://wbg.org.uk/wp-content/uploads/2018/01/WBG-What-is-Feminsist-Economics-PDF-compressed.pdf and the statement on African Women's Economic Justice http://africlub.net/awdf/wp-content/uploads/AWEF-Statement-FINAL.pdf
Financial Action Task Force (FATF)	The FATF was created in 1989 by the Group of 7 (G7) countries to combat money laundering and terrorist financing. In 2012, tax crimes were made a money laundering offence.
Fiscal Policy	Fiscal policy is the means by which a government adjusts its spending levels and tax rates to monitor and influence a nation's economy. It is the sister strategy to monetary policy through which a central bank influences a nation's money supply. These two policies are used in various combinations to direct a country's economic goals.
Flat rate tax	A tax system in which the amount of tax paid remains constant in proportion to total income. That prevents taxes from reducing inequalities.
Gross domestic product (GDP)	Total value of final goods and services produced in a country during a calendar year. GDP per person – total GDP divided by the population – is the simplest overall measure of income in a country. The change in GDP from one year to another, if positive, is a measure of economic growth.
General sales tax (GST)	A tax added to the value of all sales with no allowance for claiming a rebate on tax paid. Different from the value added tax which is only paid by the nal consumer, as each other stage of production needs a documented proof of not being a nal consumer. Goods and services tax (GST) is the same as general sales tax – name differs from country to country.
GNI	Gross national income is the value of a country's final output of goods and services in a year. It is the gross domestic product plus what a country's

	residents earn abroad and minus what is paid out abroad. The GNI has replaced the term GNP.
Gender-responsive budgeting (GRB)	Gender-responsive budgeting is a means of integrating a gender perspective into all steps of the budget process – planning, drafting, implementing and evaluating – so as to ensure that budget policies take into consideration the gender issues in society. GRB does not involve creating separate budgets for women and girls, or simply increasing specific budget allocations directed to these groups. The basic idea is to ensure that spending serves the needs and priorities of women and men, girls and boys of different socio-economic and demographic categories with the aim of reducing gender inequalities.
Illicit capital flight	The process whereby wealth-holders and businesses place their funds and other assets outside the country of residence. The process is illicit if funds are of criminal origin, are illegally transferred, or used for illicit purposes.
Illicit financial flows (IFFs)	IFF is an umbrella term that covers cross-border movements related to tax abuse, tax avoidance, tax evasion, regulatory abuses, bribery, the theft of state assets, the laundering of the proceeds of crime and the financing of terrorism
Income taxes	Taxes on income, profits, inheritance, payroll and capital gains are generally divided between taxes payable by individuals and corporations.
Indirect taxes	A form of tax charged upon transactions, usually on their gross value. Examples include sales taxes, value added taxes, goods and services taxes, stamp duties, land taxes, excise and customs duties, and levies of all sorts.
Macro-Economic Policy	Macroeconomic policy aims to provide a stable economic environment that is conducive to fostering strong and sustainable economic growth. The key pillars of macroeconomic policy are fiscal policy, monetary policy and exchange rate policy. Macroeconomic policy is concerned with the operation of the economy as a whole.
Money laundering	The practice of processing money from criminal or otherwise illicit activities to give it the appearance of originating from a legitimate source.
Multinational Corporations (MNC)	A multinational corporation is usually a large corporation incorporated in one country which produces or sells goods or services in various countries. Two common characteristics shared by MNCs are their large size and the fact that their worldwide activities are centrally controlled by the parent companies.
Non-governmental organisations (NGO)	This term refers to organisations that are not for profit and independent of the government.

Official Development Assistance (ODA)	Official development assistance is defined as those flows to developing countries and multilateral institutions provided by official agencies or by their executive agencies, which meet the following tests: a. it is administered with the promotion of the economic development and welfare of developing countries as its main objective;and b. it is concessional in character and conveys a grant element of at least 25%. Only aid to countries on Part I of the Development Assistance Committee List is eligible to be recorded as official development assistance.
Organisation for Economic Co-operation and Development (OECD)	The OECD is an intergovernmental economic organisation with 36 member countries promoting growth and high employment among its members, fostering international trade and contributing to global economic development. Founded in 1961 to stimulate economic growth and world trade. Since 1995 the OECD has published and updated its Transfer Pricing Guidelines to set norms for the taxation of TNCs.
Progressive taxes	A tax system in which, as income rises, the amount of tax paid increases in proportion to the income as well as in absolute amount, that is the percentage tax rate increases as the income rises. This kind of tax reduces inequalities.
Regressive taxes	Regressive taxes are the opposite of 'progressive taxes', what means that those who earn more, pay proportionately less tax. This kind of tax increases inequalities.
Revenue	A government's total annual amount of available resources, i.e., its income collected from taxes on salaries, company profits, sales, etc., as well from loans and foreign aid. Revenue is usually divided into tax revenue (i.e., money collected from direct and indirect taxation of individuals and companies) and non-tax revenue (i.e., government revenue not generated from taxes, such as aid, revenue from state owned enterprises, rents/concessions/royalties, fees, etc.).
Royalties	Royalties are usage-based payments for ongoing use of an asset as prescribed in a licence agreement, for example natural resources such as oil, minerals and forests but also intellectual property including music and pharmaceutical products. Royalties are typically agreed upon as a percentage of revenues raised from the use or gradual depletion of an asset.
Secrecy jurisdiction	Secrecy jurisdictions are countries, cities and territories that provide financial secrecy which undermines the regulation of another jurisdiction for the primary benefit and use of those not resident in their geographical domain. Their laws allow banking or financial information to be kept secret under most circumstances. Such jurisdictions may create a legal structure specifically for the use of non-residents.

Sex vs Gender	Gender is the way in which society assigns characteristics and social roles to women and men. Sex is the biological difference between men and women
Social security payments	Payments made towards maintaining government- provided health, unemployment, pensions and other basic social rights. Frequently considered as taxes or social contributions.
Special economic zone (SEZ)	Similar to the EPZ, but the activities can include domestic market-orientated business activities.
Sustainable development	This is development that meets the needs of today, without compromising the ability of future generations to meet their own needs. It includes addressing environmental, economic, and community issues.
Tax	A fee levied by a government or a regional entity on a transaction, product or activity in order to finance government expenditure. Tax rates and the tax base are decided by a representative legislative body, based on constitutional provisions.
Tax abuse	A term used by human rights practitioners to refer to tax practices that are considered contrary to the spirit of the law, human rights norms and principles. This may encompass largely similar practices to what is called 'legal' tax avoidance based on a narrower interpretation of the law.
Tax arbitrage	The process by which a sophisticated taxpayer plays off the tax systems of two or more different countries to obtain a tax benefit as a result.
Tax avoidance	A term used in the accounting world to define what is legal tax minimisation within the law, rather than what is illegal (tax evasion). The accounting profession assumes that something that is not explicitly illegal must therefore be legal; and many anti-avoidance schemes exploit loopholes, different tax rates in DTAs and other discrepancies between jurisdictions. It is the practice of seeking to minimise a tax bill within the letter of the law (as opposed to illegal methods which would be classed as tax evasion or fraud). This often involves manipulating the tax base to minimise the tax payable.
Tax base	The collective value of transactions, assets, items and other activities that a jurisdiction chooses to tax.
Tax burden	The impact that various taxes would have on different sectors of the population.
Tax capacity	A term that denotes the capacity of a sovereign country to raise revenue with regard to its fiscal architecture.
Tax competition	The pressure on governments to reduce taxes, usually to attract investment, either by way of reduction in declared tax rates or through the granting of special allowances and incentives.

Tax compliance	Payment of tax due without engaging in tax avoidance or evasion.
Tax consensus	A set of tax policies promoted by the International Monetary Fund in view of macroeconomic stability, but disregarding equity concerns. Policies include in particular: reductions in the rates of corporate and other income taxes; reduction of trade taxes in support of trade and investment liberalisation; expansion of indirect taxation such as value added tax; simplification of the tax code; and promoting significant structural overhaul of tax administrations.
Tax dodging	A term that is often used by tax justice campaigners when it is not clear whether tax is being avoided or evaded. It highlights the fact that many tax avoidance strategies are abusive, even when considered legal.
Tax effort	A term used to determine the extent to which a government translates tax capacity into revenue.
Tax evasion	A term used by the accounting profession to define what is illegal tax minimisation. These practices take place in a legal vacuum, amid legal uncertainty or in the context of financial secrecy or lack of public information and information exchange, where the risk of discovery is small. A term used to denote illegal methods used to pay less tax. Also known as tax fraud.
Tax gap	The difference between nominal tax ratios and actual tax revenues. This can be calculated by using various methodologies, for instance the difference between tax capacity and tax effort, or random tax inspections of taxpayers.
Tax haven	Tax havens, or offshore financial centers, are generally countries or places with low or no corporate taxes that allow outsiders to easily set up businesses there. Tax havens also typically limit public disclosure about companies and their owners. Because information can be hard to extract, tax havens are sometimes also called secrecy jurisdictions. Tax havens have the following key characteristics; No or only nominal taxes; Lack of effective exchange of information; Lack of transparency in the operation of the legislative, legal or administrative provisions.
Tax holiday	A period during which a company investing in a country does not have to pay tax under an agreement with the government.
Tax incentives	A tax incentive is an aspect of the tax code designed to encourage a certain type of behaviour. This may be accomplished through means such as limited periods of tax holidays or permanent tax deductions on certain items. However it might also become a space for corporate lobby and misuse of tax breaks, without any return for society.

Tax planning	When tax legislation allows more than one possible treatment of a proposed transaction, the term may legitimately be used for comparing various means of complying with taxation law. It can be made in such an aggressive way that is hard to understand how legal and/or moral the tax planning is.
Tax rate	A tax rate is the percentage at which an individual or corporation is taxed.
Thin capitalisation	A company is thinly capitalised when its capital is made up more of debt than equity. For tax purposes, a problem arises when a company claims tax deductions on in ated debt interest payments. Subsidiaries of a company based in tax havens can overcharge interest payments to other related subsidiaries, and thus shift profits to low-tax jurisdictions. In most countries, the practice is regulated or outright illegal, but hard to detect.
Trade mis-invoicing	The practice of misdeclaring the value of goods imported or exported to evade or abuse customs duties and taxes, circumvent quotas or launder money. This is often made with unrelated parties, but this can be difficult to determine in the absence of full ownership information. Exports are often understated, while imports are often overstated.
Trade mispricing	The term used to cover both transfer mispricing and false invoicing.
Transfer pricing	A transfer-pricing arrangement occurs when two or more businesses that are owned or controlled directly or indirectly by the same group trade with each other. If a transfer price can be shown to be the same as the market price (the arm's length price) then it is acceptable for tax purposes. Over 50% of world trade takes place within large TNCs. The price of transactions between related companies, in particular companies within the same multinational group. Governments set rules to determine how transfer pricing should be undertaken for tax purposes (eg, since the level of transfer pricing affects the taxable profits of the different branches or subsidiaries of a TNC).
Transfer-pricing abuse	This involves the manipulation of prices of transactions between subsidiaries of multinationals, or, more specifically, the sale of goods and services by affiliated companies within a multinational corporation to each other at artificially high or low prices (outside the arm's length range). This may occur for a number of reasons, including to shift pro ts to low-tax jurisdictions or countries providing preferred tax treatment to certain types of income. Can also be referred to as 'transfer mispricing'.
Value added tax (VAT)	A tax charged by businesses on sales and services but which allows businesses to claim credit from the government for any tax they are charged by other businesses in the production chain. Different from the general services tax, which does not require proof of being an intermediate producer. VAT is often criticised for being regressive.

Withholding tax	Tax deducted from a payment made to a person outside the country. Generally applied to investment income, such as interest, dividends, royalties and licence fees according to a Double Tax Treaty (DTT) signed between the two jurisdictions.
World Bank	The term World Bank is commonly used to refer to the International Bank for Reconstruction and Development and the International Development Association. Three other agencies are also part of the World Bank, the International Finance Corporation, the Multilateral Investment Guarantee Agency and the International Centre for Settlement of Investment Disputes. Together these organisations are referred to as the World Bank Group.
World Trade Organisation	The only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments.
Zero-Rate	The term is used in relation to VAT, where the rate of tax which is in principle levied but at a rate of 0% so that in effect no tax is payable but will result in refunds of input tax credits.

Sources

1. Trapped in Illicit Finance: how abusive tax and trade practices harm human rights
2. Tax Justice Advocacy: A Toolkit for Civil Society
3. Budget Dictionary by IBP
4. OECD Glossary of Tax Terms