First: Constitutional and legislative challenges to motivate and encourage investment: Methods of developing investment legislation and legal frameworks; whether the multiplicity of investment laws constitutes a barrier to its promotion.

Tax incentives and territorial attractiveness for investment

Abstract

Fiscal policy, in the sense of economic and social action by means of compulsory levies (taxes, levies and social contributions), constitutes a major instrument in the hands of the public authorities to promote investment and thus achieve the Sustainable Development Goals (SDGs) defined by the UN. Such a policy often takes the form of tax incentives initiated by the legislator (government and parliament) to make its territory attractive to investors and this by means of “tax expenditures” (tax credits, exemptions, reductions and credits taxes).

However, this state fiscal interventionism, which has the merit of deeply reforming the political, economic and social structures of a country, can be held back by an administrative state (financial and fiscal administration) which considers it necessary to maintain or even increase taxation to cover general interest expenditure (financing of physical infrastructure such as public works and equipment, communication and / or intangible routes such as education and research, public health, environmental protection and sustainable development ...).

In addition, an effective public and / or private investment producing wealth and therefore social redistribution requires prior regulation and public governance subject to the principles of the rule of law. These principles are notably dominated by the requirement of transparency and responsibility in the management of public affairs and are contained in the generic concept of accountability. In addition to a stable political framework, predictable and transparent legislation, particularly in financial and fiscal matters, often influences public and / or private investment decisions.

The interest in tax incentives is that this is an instrument favored by certain emerging and developing countries to attract foreign capital on the model of FDI in the face of insufficient human and material resources, mining and / or national savings. Furthermore, it seems easier for some countries to use targeted tax incentives leading to reduce or even eliminate any tax burden than to pay public subsidies directly. In addition, these tax incentives are often taken by multiple political authorities (ministries of trade, industry, economy, investment ...) and formalized by various texts (law on investments, laws finance, law on economic regulation ...). The mobilization of public and / or private investment calls for a simplification and transparency of public governance in order to make accessible fiscal incentive measures and their effective implementation by interested investors.

Our communication will specify, firstly, the importance but also the limits of tax incentives to make a territory attractive for national and international investors and, secondly, stress the need for a legal framework favorable to good governance.
public finance and tax to make productive and efficient any investment to achieve the SDGs.

**Problematic**
Are tax incentives an effective instrument for making a territory attractive to investors? Does the legal and / or institutional framework determine such territorial attractiveness? Does good public financial and fiscal governance (transparency and accountability) condition investment and therefore the achievement of the SDGs?

**Theoretical framework and methodological approach**
We will draw on the economic and legal theories of tax often developed in the reports of national audit organizations (French and / or European court of auditors) and also of international study and / or aid organizations. investment (World Bank, IMF, WTO, OECD, ...).

**Expected results in relation to the experiences analyzed and hypotheses put forward**
Tax incentives are certainly useful for promoting investment but that the establishment of the rule of law symbol of good public governance is necessary for better management of the investing state to achieve the SDGs.

**Provisional plan**

I. Tax incentives as leverage for investment
   1. The nature of tax incentives
   2. The scope of tax incentives

II. Good public governance as a prerequisite for investment
   1. An institutional clarification of the competent tax authorities
   2. Normative simplification of tax incentive measures

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