



IOTA WORK PROGRAMME

2011

The associate members may choose participation in up to 11 technical events from the attached list, excluding AG meetings.

Draft Work Programme for 2011 (SUMMARY)
I.A. Technical Events - Case Study Workshops

No; Code	Event	Target Audience	Date 2011	Planned Venue
CS1_2011	Case Study Workshop Auditing Multinational Enterprises - Transfer Pricing Issues	Auditors with experience of auditing transfer pricing cases	27 - 29 April	Italy
CS2_2011	Case Study Workshop Tackling VAT Fraud - Best Practices	Auditors with extensive experience of auditing VAT fraud cases	29 June - 1 July	Hungary
CS3_2011	Case Study Workshop International Tax Evasion	Tax officers with extensive experience of international tax evasion schemes	12-14 October	Lithuania

Work Programme for 2011 (SUMMARY)

I.B. Technical Events - Area Group Activities

No; Code	Event	Target Audience	Date 2011	Planned Venue
AG1_2011 PDVF	Area Group Activity Prevention and Detection of VAT Fraud	Area Group members	26 - 28 January	Poland
AG2_2011 HRM	Area Group Activity Human Resources Management	Area Group members	2 - 4 March	Spain
AG3_2011 LTTA	Area Group Activity Large Taxpayer Treatment and Audit	Area Group members	6-8 April	Latvia
AG4_2011 SMB	Area Group Activity Strategic Management: Benchmarking	Area Group members	4 - 6 May	Estonia
AG5_2011 PDVF	Area Group Activity Prevention and Detection of VAT Fraud	Area Group members	14 - 16 September	Sweden
AG6_2011 HRM	Area Group Activity Human Resources Management	Area Group members	5 - 7 October	Norway
AG7_2011 LTTA	Area Group Activity Large Taxpayer Treatment and Audit	Area Group members	26 - 28 October	Switzerland
AG8_2011 SMB	Area Group Activity Strategic Management: Benchmarking	Area Group members	9 - 11 November	Romania

Work Programme for 2011 (SUMMARY)

I.C. Technical Events - Forums/Workshops

No; Code	Event	Target Audience	Date 2011	Planned Venue
I.C. Technical Events - Forums/Seminars/Workshops				
WP1_2011	Workshop Risk Management in Tax Collection	Tax officials working on risk management in the field of tax collection	12 - 14 January	Hungary
WP2_2011	Workshop Different approaches to reduce the litigious aspects in tax matters	Tax officials involved in legal departments and dispute settlement units Experts in tax appeals or complaints	8-10 February	Hungary
WP3_2011	Training Forum	Senior training personnel	16 - 18 March	Hungary
WP4_2011	Workshop Digital Tax Administration	Tax officials involved in the use of digital solutions for administrative and technical requirements. Experts in e-Service Development, Business Process Development/Management Enterprise and Taxation "Research & Development"	19 - 21 April	Hungary
WP5_2011	Workshop Fiscal Approach towards E-commerce	Tax officials involved in the process of preventing and combating tax evasion, in particular in identifying areas of risk related to e-commerce	18 - 20 May	Belgium
WP6_2011	Workshop Tax Compliance Strategies for Small Enterprises	Tax officials involved in devising and implementing strategic initiatives in relation to small enterprises	1 - 3 June	Poland
WP7_2011	Workshop The use of the information on offshore assets for control purposes	Tax officials involved in implementing measures and/or fighting against tax fraud related to the use of information on offshore assets for control purposes	15 - 17 June	Netherlands
WP8_2011	Workshop Increasing voluntary compliance in a restricted economy	Tax officials who are involved in formulating and delivering voluntary compliance programmes	7 - 9 September	Hungary

WP9_2011	Workshop Risk management in tax audit activities	Officials involved in the risk management process applied to tax audit activities	28 - 30 September	Serbia
WP10_2011	Workshop Taxpayer communication: helping the taxpayer to get it right	Tax officials involved in communication strategy departments and the implementation of processes aimed to improve communication towards taxpayers	16-18 November	France
WP11_2011	Workshop Horizontal Treatment - New forms and experiences of achieving the enhanced relationship between tax administrations, taxpayers and tax intermediaries		30 November - 2 December	Macedonia (FYR)
WP12_2011	Workshop Improving tax auditors' investigation skills	Officials involved in tax audit departments and tax investigation units, managers of tax audit staff, strategic planners and HR officials	14 - 16 December	Hungary

Work Programme for 2011 (SUMMARY)

I.D. Technical/Administrative Events

No; Code	Event	Target Audience	Date 2011	Planned Venue
I.D. Technical/Administrative Events				
PCP_2011	PCP Forum	IOTA Principal Contact Persons	24 - 25 February	Italy
GA_2011	15th General Assembly	Heads of Member Tax Administrations and Principal Contact Persons	7-8 July	Nice, France

Work Programme 2011

Technical Activities Programme

Background Note

1. IOTA CASE STUDY WORKSHOPS

1.1 AUDITING MULTINATIONAL ENTERPRISES - TRANSFER PRICING ISSUES

Background

With the continued move by organisations to utilise cross border restructuring to help to minimise their revenue liabilities, revenue agencies across Europe need to maintain an awareness of their activities. One of the most common areas of concern to IOTA members is the manipulation of prices between associated businesses to avoid the correct payment of duty and revenues.

This is a popular event on the IOTA timetable and is intended to provide an opportunity for auditors of transfer pricing cases to meet and exchange knowledge and experiences through a series of participative work group sessions.

Objectives

By the use of cases, carefully selected by Transfer Pricing experts from the examples provided by delegates, it is the intention of this workshop to:

- Allow delegates, in small groups, to review the problems, issues and aspects raised by the cases in order to compare the relate methods of approach adopted by the member tax administrations;
- Examine the impact on transfer pricing of the new OECD Guidelines for Multinational Enterprises and Tax Administrations and in particular Chapters I-III; including the profit split and transactional net margin methods, using examples;
- Bring the group findings back to plenary session to discuss and disseminate information learned;
- Build and develop a network of contacts between delegates to aid in the understanding and equitable application of transfer pricing throughout member tax administrations.

Target Audience

The involvement of all member administrations is applicable to the issues raised by transfer pricing. There is an expectation that delegates attending this workshop will have combined experience of both practical audit and in dealing with transfer pricing cases.

1.2 TACKLING VAT FRAUD - BEST PRACTICES

Background

With fraudulent activities prevalent throughout the IOTA region and a significant “tax gap” which demands urgent action, VAT fraud is seen as a major concern for our member tax administrations. The tax administrations from the European Union face continued difficulties from the ‘Missing Trader/Carousel Fraud’ carried out by organised crime within the EU which have led to losses of revenue reaching billions of Euros. Examining ways in which the combined efforts of all IOTA members can tackle non-compliance within the field of VAT is an area that has always attracted a wide and interested audience.

For administrations to maintain an effective response to combating VAT fraud it is necessary for them to be aware of the most recent methods and techniques adopted by criminals and taxpayers to evade and defraud the revenue. To assist them in this fight they must be aware of and adopt best practice towards meeting the new and varied challenges thrown at them.

Objectives

By using a cross-section of cases, selected from submissions made by delegates, the workshop will endeavour to allow member countries to demonstrate best practice in combating VAT fraud by:

- Highlighting current or developing trends in VAT fraud;
- Identifying methods of detecting and combating “popular” frauds;
- Researching adopted methods of controlling non-compliance.

Delegates will have the opportunity to discuss each case within small discussion groups, hosted by experts in the field of detecting and investigating VAT fraud, before delivering their findings to the plenary session.

Target Audience

The audience will consist of operational staff at all levels who are actively involved in dealing with and reporting VAT fraud. They should have a good understanding of their administrations legislative and strategic approach to fraud and be able to explain in detail and answer questions on their case study. This case study workshop seeks to use the expertise of some of the more experienced colleagues from within the field of VAT fraud, for example the IOTA Area Group ‘Prevention and Detection of VAT Fraud’ who will act as advisors and facilitators in order to assist their less experienced colleagues.

1.3 INTERNATIONAL TAX EVASION

Background

As Denis Healy, a former British Chancellor of the Exchequer once said:- “The difference between tax avoidance and tax evasion is the thickness of a prison wall”.

Tax evasion is the general term for taxpayers who deliberately conceal the true state of their affairs to the tax authorities in order to reduce their tax liability and includes dishonest tax reporting such as understating income, profits or gains and overstating deductions. International tax planning is based on the fact that the revenue legislation of most countries is largely restricted to their domestic economy. The tax authorities have a hard time crossing borders but people and wealth can do so easily.

The recent global economic crisis and tax evasion scandals have spurred calls for fairness and transparency of the tax system. Removing practices that facilitate tax evasion is part of a broader drive to clean up one of the more controversial sides of a globalised economy. The OECD has advocated the exchange of information between tax authorities to better equip them to tackle tax evasion. This has been highlighted with the cooperation shown by many past tax havens. The need is now to ensure that tax evasion that spans international boundaries is treated the same as domestic evasion.

Objectives

Concentrating on direct taxes rather than VAT, this case study workshop will focus on the most recent fraud schemes discovered within the IOTA membership involving cross border / international collusion. It will give tax officials the opportunity to exchange experiences and best practices related to the identification and fight against international tax fraud schemes not only at corporate level, but also targeting those individuals of high net worth.

The workshop will be structured around case studies presentations and group work sessions aimed at discussing methodologies used to tackle tax evasion schemes, including legal issues and IT tools developed to help identify and quantify tax frauds. The event will be supported by experts in the field; drawn from existing IOTA Area Group work in this area.

The overall objective is to improve tax administrations’ strategies/approach/methods to the problems identified.

Target Audience

Participants should be personnel actively involved in the practical aspects of managing and/or dealing with issues surrounding International tax evasion issues and related strategic initiatives in relation to direct tax.

We particularly want this to be a practical experience for participants where knowledge can be pooled during the group work sessions and where real issues and problems can be discussed and solutions sought. Therefore delegates should be prepared to take an active role in the working group sessions and the presentation forums that will follow each working group.

2. IOTA AREA GROUPS

ONE PARTICIPANT FOR EACH MEMBER COUNTRY

The major focus of the IOTA technical activities is on the sharing of 'good practice' in practical areas of tax administration, with the primary aim of strengthening and modernising all our tax administrations.

In an effort to improve the possibilities for liaison between personnel in the member tax administrations, and to establish a forum for ongoing, regular exchanges and co-operation between personnel, the concept of Area Groups was introduced within the framework of the IOTA technical activities.

Area Groups differed fundamentally from the other technical activities offered by IOTA in that there was a focus on facilitating this regular contact between the same individuals from a wide group of the member tax administrations. This regular contact took three main forms; a possibility for regular meetings (currently two meetings each year for each active Area Group), ongoing liaison and communication via telephone and email, and the important work and outputs of the various connected task teams.

For 2011 it has been decided that the subjects covered by the two area groups: Prevention and Detection of VAT Fraud (PDVF) and Large Taxpayer Treatment and Audit (LTTA) are still relevant and important to all tax administrations and to continue the meetings. A full review of the AG activities will be conducted prior to the next PCP meeting.

The two new Area Groups, established in 2010 for an initial 2-year period, will continue with their activities in 2011: Human Resources Management (HRM) and Strategic Management: Benchmarking (SMB).

Thus the Area Groups that will be active in 2011 will be:

- **Large Taxpayer Treatment and Audit (LTTA)**
- **Prevention and Detection of VAT Fraud (PDVF)**
- **Human Resources Management (HRM)**
- **Strategic Management: Benchmarking (SMB)**

3. PROGRAMME OF WORKSHOPS

TWO PARTICIPANTS FOR EACH MEMBER COUNTRY

3.1 RISK MANAGEMENT IN TAX COLLECTION

Background

A keystone of public activities and reforms, the levying of tax is a paramount instrument in the implementation of fiscal and economic policies. Collecting public funds entails the control of specific functions aimed at handling the tax debt and receiving the correct amount of tax due. It involves the implementation of secure processes and the performance of tasks related to the management of different categories of taxpayers spread widely across the compliance scale.

A key factor in a constitutional state, the need to reduce risks inherent within any fiscal system has even greater resonance now considering the increased importance of budgetary prudence and citizen expectations. In this context, the implementation of an effective risk management process is a crucial element in securing the collection of tax and ensuring the close monitoring of the risks associated with it.

Risk management consists of seeking an exact match between means and ends by adopting a dynamic process for the management of risks in the conduct of fiscal affairs. It implies a flexible and measured response by the tax administration in order to optimise performance and at the same time have a positive impact on results. It can be defined as a dynamic approach, consisting of the control of internal and external risks in order to prevent, detect, tackle and solve problems as and when necessary.

Applied to tax collection activities, risk management strategies encompass the implementation of processes meant to secure and optimize the collection of tax by assessing, analysing and reducing the risks inherent in this activity. These processes cover the whole chain of tax collection, from the assessment of tax debts and monitoring of taxpayer population to the securing of assets.

Objectives

This event is intended to address the topic of tax collection from the risk management perspective.

By using plenary sessions and working group discussions, the event will seek to:

- review different risk management strategies and approaches towards tax collection and its different stages (detecting non compliant behaviour and taxpayers at risk and the securing of assets);
- identify common parameters and good practice amongst IOTA members, in the light of work undertaken by other institutional partners;
- cover the different processes related to tax collection:
 - a) identification of risks inherent in the tax collection activity;

- b) analysis, assessment and prioritisation of these risks;
 - c) risk treatment;
 - d) risk evaluation.
- review the existing tools, methodologies and practices used by tax administrations
 - assess good practice seeking for more efficiency in tax collection.

IT developments in this area will be presented and explained, highlighting the important role these tools provide in supporting the tax collection process.

Target audience

This event is intended to provide a forum for Tax officials working on risk management in the field of tax collection.

Participants should ideally be personnel actively involved in the daily practical aspects of tax collection and the design, implementation and running of risk management strategies and related processes. They should have a good working knowledge of the current procedures and be in a position to express opinions on the effectiveness of their current procedures, in discussion with other delegates.

3.2 DIFFERENT APPROACHES TO REDUCE THE LITIGIOUS ASPECTS IN TAX MATTERS

Background

By its complexity and profusion, fiscal law usually gives ground for discussion and interpretation. Its application is submitted for judgement by different protagonists intervening at various stages, from the original tax assessment to the upper level of judicial appeal.

Underpinning this sustained and complex relationship with taxpayers, legal security is one of the tax administrations duties, aimed at enhancing the quality of its actions and reducing litigious aspects in tax matters. Different solutions can be sought by tax administrations based on a robust and effective risk management strategy allowing for cost effectiveness, enhancement of quality in taxpayers services and a better monitoring and running of the tax assessment process.

At an internal level, actions can target the simplification of procedures, the securing of an effective interpretation of the law and the enhancement of the quality of tax audit procedures with, for example, improved communication between the tax audit services and the legal department, better training for staff, central monitoring of dispute settlement service activities, etc.

External measures can also be sought: conciliators and more amiable procedures, communication and publication of significant cases and legislative interpretations, developing mutual trust between both parties, delivering fiscal training for judges, etc.

Objectives

This event will help tax administrations to share experiences on the subjects that might help to reduce litigation and, as a result, the administrative burden for taxpayers.

The workshop will aim to offer a forum for tax officials from both legal and dispute settlement services of the IOTA member administrations, with the overall objective to discuss the existing appeal systems for tax matters (both formal/informal; administrative and/or judicial) and in particular:

- Advantages and disadvantages of the system;
- Ongoing programs to reduce litigious issues and plans for the future;
- Results or expected results of the programs to reduce the use of litigation;
- Identification of good practice seeking for more efficiency.

Target audience:

The workshop will aim to offer a forum for tax officials dealing with tax appeals or complaints procedures from both legal and dispute settlement services of IOTA member administrations.

3.3 TRAINING FORUM

Background

With its pivotal role in staff development, training is one of the pillars of a robust and modern organisation, ensuring quality and effectiveness in the performance of activities. Tax administrations are frequently adapting their strategies towards training and implement new approaches, thus ensuring a relevant adaptation of staff towards fiscal activities requirements.

The IOTA Training Forum is meant to provide a forum on specific training issues, focusing on professional themes that can be presented and discussed between the participants, thus fulfilling the wish to liaise to exchange knowledge and experiences. Training embraces a broad scope of issues, from the strategic management to the evaluation of training modules, including new forms of training such as b-learning and mentoring, and several topics have already been addressed by IOTA through a series of workshops (quality of training, return on investment as a measure, technology enhanced learning, insights into training strategies, trends in training, etc).

Objectives

A major item of the IOTA work programme since 2004, the training forum aims at providing tax administrations with the ability to exchange experiences via a platform designed for tax officials involved in training matters, having a look forward to their developments.

By ways of plenary sessions and working group discussions, the event will seek to:

- review new trends and developments in training;
- identify common approaches/strategies towards training;
- embrace methods and techniques implemented by tax administrations;
- assess good practice seeking for more efficiency in training.

Target audience

Given the professional nature of the event, participants are ideally senior training personnel with a specific interest in comparing and developing training methods used in IOTA member administrations.

3.4 DIGITAL TAX ADMINISTRATION

Background:

The communiqué issued in July 2008 by the IOTA General Assembly addressed the subject of “Joined-up Government: more efficiency and reducing the administrative burden through cooperation between other governmental bodies”. Having regard to the duty of tax administrations to provide taxpayers with the services of the highest quality, while ensuring maximum compliance with taxation legislation to protect honest citizens and businesses, bearing in mind ever increasing demands to achieve greater efficiency through better use of human and financial resources, and having regard to the importance of tax administrations’ role in the functioning of governments and states, the IOTA member administrations affirmed that reducing the administrative burden on citizens and businesses as well as in relation to internal work processes is and shall continuously be one of the top priorities of the tax administration.

Furthermore, they underlined the need to be bold in welcoming new technologies and innovative approaches to deliver better public service and to seek support for applying such initiatives from decision-makers in governing institutions and within the tax administration itself, and they encouraged constant search for and exchange of idea and implementation of the best practices for the reduction of administrative burden while sustaining high levels of service and excellent results in tackling noncompliance.

In addition, they emphasized the positive effect that tax administrations’ practices of managing entrusted resources in a reasonable and sound way have on the level of voluntary compliance among taxpayers and called upon tax administrations to consider taking a leading role among state institutions in initiating positive developments of raising the quality of public service at a lower cost level and engaging in constructive dialogue with stakeholders and partner institutions from public and private sectors.

The communiqué clearly sets out the proposals of all the members present at that meeting to attempt to reduce the burden on the taxpayer by the introduction of new technologies and the adoption of best practice.

Aimed at exploring different fields of IT-related possibilities of improving the efficiency of tax authorities in line with the above declaration, the event will look at the differing approaches adopted by tax administrations to embrace technology to assist in productivity.

The One Stop Shop approach to the taxpayer, where they would have all amenities to hand in one place through a simple Government portal was proposed many years ago. The question “why has its adoption been slow to take off” will be examined and speakers both “for” and “against” its adoption invited to comment along with other activities and initiatives available to ease the taxpayers’ burden.

Objectives

The focus of this workshop will be divided between strategic and management areas; as well as offering the presentation of actual IT systems already in place.

By means of a number of presentations and workgroups, this event will examine:

- What facilities are available to administrations to aid them in effectively managing their taxpayer base?
- Are there suitable IT solutions available to allow for the One Stop Shop?
- What are the limitations placed on tax administrations that impact on their ability to implement IT solutions?

Target Audience

This event is intended to provide a forum for managers and business developers, rather than IT specialists, to exchange ideas and experiences regarding the development of digital environment for tax administrations.

They will have the opportunity to both listen to presentations on identified solutions and to discuss the issues affecting or preventing them achieving their ultimate solution.

3.5 FISCAL APPROACH TOWARDS E-COMMERCE

Background

Entailing swift transactions within a less restrictive and regulated environment, globalisation has fostered a fast and dramatic development of international economic activities over the last decade. In particular, the expansion of electronic systems such as the Internet and computer networks has engendered a huge growth in e-transaction volumes (B2B and B2C). E-commerce has become part of everyone's daily life and is prevalent in redesigning corporate and business management strategies.

Encompassing various forms of new support for economic transactions (e.g. emails, auctions web sites, PayPal, etc) the monitoring of e-commerce activities has proved to be a significant challenge for tax administrations for various reasons: the nature of the transactions, international issues, easy ways of communicating and transferring money etc.

E-commerce poses a number of legal and fiscal questions for all governments; related to the place of service, principal establishment of the provider, place of consumption, traceability of transactions etc., but also the conduct of fiscal procedures, in particular tax audit and collection of fiscal evidence.

Objectives

The event will provide a forum for tax administrations to discuss their approaches towards tracking and fighting against fiscal fraud perpetrated through e-commerce. It will focus on risk analysis and on the tools and techniques used to tackle fraudulent activities within the e-commerce environment, with regards to both direct and indirect taxation.

The event will seek to:

- review the existing legal and regulatory framework to fight against fiscal fraud perpetrated through E-commerce;
- assess tools, methods and techniques aimed at detecting fiscal fraud in E-commerce;
- review the different measures designed to fight against fiscal fraud;
- identify good practice, seeking for more efficiency.

Target Audience:

This event is intended to provide a forum for tax officials involved in the process of preventing and combating tax evasion perpetrated via e-commerce, in particular in identifying areas of risk related to e-commerce.

3.6 TAX COMPLIANCE FOR SMALL ENTERPRISES

Background

This event, to be jointly hosted by IOTA and the EU Commission, focuses on a topic that will be of interest to all IOTA members but perhaps especially those middle income countries such as new EU Member States and their neighbouring countries.

Small enterprises represent a large proportion of taxpayers in most countries, whereas the actual tax yield from them is very limited. Tax Administration requirements often impose a relatively heavy burden on the small enterprise and ensuring compliant behaviour also requires a disproportionate part of the tax administrations' limited resources.

The event will explore the means of reducing or simplifying the administration of this segment of taxpayers and ways of improving their voluntary compliance.

Within the boundaries of existing legislative frameworks it could be useful for tax administrations to exchange experiences on models for simplification, and on compliance strategies for small enterprises in their respective countries

Objectives

It is proposed that IOTA and the European Commission's Taxation and Customs Union Directorate General organise jointly a workshop with the following objectives:

- to present and discuss individual initiatives specifically aimed at the compliance of small enterprises;
- to examine the use made of flat-rate regimes and simplified VAT schemes for small enterprises;
- to discuss approaches for reducing the administrative burden for small businesses and tax administrations as well as optimising compliant behaviour of small enterprises within each of the participating countries.
- to provide an opportunity for officials from all member tax administrations to discuss and share experiences with strategies for voluntary compliance within the framework of administrative simplification.

Target Audience

Primarily this event is directed towards those tax officials who are involved in devising and implementing strategic initiatives in relation to small enterprises and those who have to administer those initiatives

Delegates should have a current knowledge of the issues that impact on small Enterprises. This workshop is intended to be participative in nature and delegates should be prepared to take an active role in any working group sessions and subsequent presentation forums that would follow such working groups.

The audience will comprise of up to 2 participants from each member country who are active in the field of developing or implementing initiatives relating to small enterprises.

3.7 THE USE OF THE INFORMATION ON OFFSHORE ASSETS FOR CONTROL PURPOSES

Background

For many years businesses have had the opportunity to disguise their activities by using jurisdictions that have allowed a higher level of secrecy when it came to declaring information about their tax affairs.

As these barriers start to come down and the former tax havens start to cooperate more widely with other countries, tax administrations need to start to examine how this additional information can help them in their management of taxpayers. Additionally, companies are being encouraged to be more open in their tax affairs and to discuss with tax administrations how best to manage their offshore assets.

This event will explore the effectiveness of measures implemented to encourage voluntary compliance in relation to offshore assets and to determine if the changes introduced have had an impact on the ways in which companies interact with tax administrations. It will embrace the effective use of information, how it is processed, organised and employed for control purposes.

Objectives

Delegates will be invited to share experiences in the regularisation of offshore assets, with special reference to procedures that could imply additional benefits for voluntary compliers (e.g. no criminal prosecution for voluntary disclosures). Organised around a series of presentations and smaller workgroups, the event will:

- Identify and review the current availability of information available from other tax administrations;
- Examine how companies have reacted to the changing attitudes of tax administrations and their willingness to liaise;
- Look at ways tax administrations can use the information now available to them to detect anomalies;
- How information may be used to encourage organisations to be more compliant.

Target Audience

All administrations that are actively involved with organisations having offshore assets will benefit from this event. Delegates should have a good understanding of how their own tax administration currently gathers information on offshore assets and how that data is used in managing the taxpayers involved. They should also be familiar with how information exchanges between other Tax administrations functions and what steps are in place to improve / extend any agreements.

3.8 INCREASING VOLUNTARY COMPLIANCE IN A RESTRICTED ECONOMY

Background

Changes in economic conditions have added pressures on the business community and are directly affecting tax administrations as well as services required by the taxpayers. As governments continue to wrestle with increasing social obligations and an aggravating decline in the size of labour workforces, tax administrations are under even more pressure to achieve a higher degree of tax compliance and to adopt efficient and effective operating practices in taxpayer service which would not only reduce costs but also boost service quality and taxpayer satisfaction. Moreover, improvements in taxpayer service would increase the likelihood of voluntary compliance, in part, by making it easier for taxpayers to comply with their tax obligations.

For some time now, IOTA tax administrations have been proactive in improving taxpayer services with issues of filing, collections, audits, etc. through comprehensive outreach and education programs, contact centres, web sites, and tax administration offices. There has been considerable overall progress in the use of modern information and communication technologies to provide a broader range of service channels, i.e. internet-based solutions (self-service options), e-filing, e-payments, e-mail, walk-inquiry centres and other innovative measures foreseen in the national e-service strategies.

A number of IOTA members have established government service offices that offer multiple services by means of integrated citizen and business registration and numbering systems, use of standardised business reporting, and dynamic sharing of information across government agencies, thus reducing the costs of running service centres in small, remote areas solely dedicated to tax administration. In an effort to react to the growing demands of large increases in service delivery workloads and associated resource investments, and declining resource budgets, a number of tax administrations are giving priority to demand management in order to better understand the taxpayers and their behaviour, and to optimize the performance. Understanding taxpayer demands and its own performance can help a tax administration create a more favourable environment for voluntary tax compliance where citizens have a strong will to “do the right thing”, where it is easy for them to do so, and where the tax administration is seen as legitimate and fair. Tax administrations today need greater tools to collaborate more closely on demand management and sense true demand for taxpayer service allowing for better resource allocation, less wasted time, and higher quality of performance. Through proactive demand management, taxpayer education and assistance, clear processes for complex issue resolution, and a focus on cost and service levels, tax administrations could achieve a high degree of efficiency/become efficient in improving voluntary compliance and at the same time capture savings.

Objectives

The IOTA 2010 Technical Activities Programme included a workshop on the subject of Voluntary Compliance, which take account of best practice examples and innovative approaches along with the methodologies used by IOTA tax administrations to improve voluntary compliance.

This event will study a range of methodologies and tactics developed to effectively manage demand for taxpayer service and increase voluntary compliance despite the economic difficulties being experienced by many of the IOTA tax administrations.

It will pinpoint the demand management practices and operational processes that cut inefficiencies, improve service quality and transform morale of taxpayer, thus creating a state of mutual trust between the tax authorities and taxpayers.

Target Audience

Participants should ideally be personnel actively involved in the daily practical aspects of managing taxpayer service processes and related strategic initiatives. They should have a good working knowledge of the current procedures and be in a position to share experiences and express opinions on the effectiveness of their current taxpayer service delivery, in discussion with other delegates.

3.9 RISK MANAGEMENT IN TAX AUDIT ACTIVITIES

Background

Risk and risk management are not new topics to the IOTA work program, but due to the continuous advancement in both the traders approach to legislative interpretation, the introduction of new technology and the move towards e-business, risk profiles are continuously changing.

To remain effective in both selecting and auditing taxpayers, administrations must look towards ever more sophisticated methods of risk management.

Objectives

This workshop will aim at providing an opportunity for personnel from the IOTA tax administrations to share experiences of current approaches to risk management in relation to tax audit activities.

It will focus on the use of Predictive Analytics and data mining techniques to improve Tax authorities' ability to identify and target risks (taxpayers and public databases, IT technologies and tools).

The event will also provide delegates with the opportunity to explore the various techniques and modelling approaches for specific activities (cash businesses, electronic invoices, etc) that can be used and sharing best practice in creating these models, along with how best to use the results operationally. A particular emphasis will be placed on the need for effective evaluation of the modelling techniques.

Target Audience

Delegates should have a current knowledge of risk management in the audit selection process. This workshop is intended to be participative in nature and delegates should be prepared to take an active role in the working group sessions and the presentation forums that will follow each working group.

They should also have a good working knowledge of the current risk analysis processes/tools and be in a position to express opinions on the effectiveness of their current Risk Management programmes, in discussion with other delegates.

The audience will comprise of up to 2 participants from each member country who are active in the field of developing risk management systems or devising risk profiling techniques.

3.10 TAXPAYER COMMUNICATION: HELPING THE TAXPAYER TO GET IT RIGHT

Background

The use of communication, particularly mass communication, is an important means for all tax administrations to provide taxpayers with relevant information and to influence their behaviour and attitudes. The contribution of recent developments in information and communication technology that have made to improvements in communication with the taxpayer cannot be emphasized strongly enough. Any customer-oriented tax administration makes use of these new tools in order to make the taxpayer's dealings with the revenue body easier, cheaper, and more personalised, thereby also promoting voluntary compliance. Tax administrations develop and target communication campaigns at specific user groups, applying the most creative approaches, often by using the target group's preferred channels, media or their own arenas.

A good understanding of taxpayer channel preferences and behaviour, combined with a relevant and realistic channel cost model are important prerequisite for effective implementation of communication strategy.

Objectives

The workshop, by the use of presentations and discussion groups hosted by invited experts in the field of taxpayer communications, will allow the delegates to explore techniques, methods and applications used by their respective administrations to improve taxpayer communications. It will concentrate on examining:

- Current approaches to taxpayer communication;
- Recent changes, implemented due to taxpayers' demands;
- The means of communication and design of systems to allow supply of essential information to taxpayers in a targeted and efficient way.

Particular emphasis will be placed on the strategic importance of taxpayer education in this area.

Target Audience

The workshop is intended to be participative in nature and delegates should be prepared to take an active role in the working group sessions and the presentation forums that will follow each working group.

Participants should ideally be officials actively involved in developing and measuring the effects of taxpayer communication strategies. They should have a good working knowledge of current procedures and be in a position to express opinions on the effectiveness of their taxpayer relations.

3.11 IMPROVING TAX AUDITORS' INVESTIGATION SKILLS

Background

The use of advanced risk selection methods together with the complexity of tax legislation increases the likelihood that auditors will encounter compliance issues during an audit. This places greater demands on the tax auditors' investigation skills and their ability to deal with problems when they occur. The lack of compliance "not detected" during an audit can also have detrimental effects on overall compliance and hence investigation skills need to be improved to meet these demands.

Objectives

The overall objective of the workshop is to improve the general knowledge of tax auditors with basic investigative skills on how to conduct tax investigations in a manner that generates the maximum deterrent effect, enhances voluntary compliance and promotes public confidence in the tax system.

The main focus of the event will be to:

- increase a knowledge of the general and specific tax investigation techniques as applied in different IOTA members;
- have a better perception of utilization of relevant statutes, tax investigation process and enforcement practices to combat tax violations in different IOTA countries and have exchanged information about their own experience;
- develop investigation skills of tax auditors by learning basic and more complicated cases, related to the combating tax law violations.

The workshop will provide an opportunity for senior tax inspectors in charge of tax investigation of different IOTA members to exchange views, experiences and best practices. It will also allow for initiation of personal contacts between delegates with a view to help improving legal, financial, IT-related and other investigative skills necessary to investigate and assist in the prosecution of significant cases of tax investigations.

This workshop is intended to be participative in nature and delegates should be prepared to take an active role in the working group sessions and the presentation forums that will follow each working group.

Target Audience

This event is aimed at those tax administration staff who are tasked with the role of investigating discrepancies (either intentional or not) within their organisation. When selecting delegates the administration should bear in mind the fact that the event will cover issues in relation to both direct and indirect taxes.

4. HOT TOPIC

The IOTA Tax Experts would like all future Work Programmes to include events that reflect current issues that affect tax administration. One way is for us to make ourselves aware of the major issues and challenges facing individual tax administrations, the so called “Hot Topic”.

Therefore we are keeping one workshop reserved for a “hot topic” to be chosen by PCPs much closer to the proposed time of delivery.