

**Inter-American Center of Tax Administrations – CIAT**

**46<sup>th</sup> CIAT GENERAL ASSEMBLY**



**“IMPROVING THE PERFORMANCE OF THE TAX ADMINISTRATION:  
EVASION CONTROL AND TAXPAYER ASSISTANCE”**

**DAILY SCHEDULE OF ACTIVITIES**

**Santiago, Chile  
April 23 – 26, 2012**

## DAILY SCHEDULE OF ACTIVITIES

Monday, April 23

08:45 - 09:30

Inaugural ceremony  
Coffee

### Morning

**Topic 1:** The use of Information and Communication Technologies to improve Performance and facilitate Compliance.

**Moderator:** Ecuador

09:30 - 10:00

**Speaker:** Chile (30')

10:00 - 10:10

**Commentator:** Kenya (10')

10:10 - 10:30

**Discussion** (20')

**Country Case 1.1.** e-Facilitation of Compliance: Taxpayer services via Internet

**Moderator:** Guatemala

10:30 - 10:50

**Speaker:** Spain (20')

10:50 - 11:10

**Speaker:** Canada (20')

11:10 - 11:30

**Speaker:** France (20')

11:30 - 12:10

**Discussion** (40')

**Country Case 1.2.** e-Control of noncompliance.

**Moderator:** Bolivia

12:10 - 12:30

**Speaker:** Dominican Republic (20')

12:30 - 12:50

**Speaker:** The Netherlands (20')

12:50 - 13:10

**Speaker:** Chile (20')

13:10 - 13:50

**Discussion** (40')

13:50 - 15:00

Lunch

**Afternoon**

**General Assembly Administrative Session:** For representatives of CIAT member countries only

Tuesday, April 24

## Morning

**Country Case 1.3.** e-Cooperation: Information technologies that may allow for exchanging information between national and international entities.

**Moderator:** Paraguay

09:00 - 09:20 **Speaker:** European Commission (20')

09:20 - 09:40 **Speaker:** Brazil (20')

09:40 - 10:00 **Speaker:** WCO (20')

10:00 - 10:30 Discussion (30')

10:30 - 10:50 Coffee break

10:50 - 12:20 **Panel 1:** **KEY ASPECTS IN COMMUNICATION AND TAXPAYER SERVICES:** Which are the minimum services that should be provided via Internet; which ones should be provided on line, which ones through the communication media?

**Moderator:** Raúl Zambrano - CIAT

**PARTICIPANTS:** Canada, Costa Rica, Guatemala, IMF, Spain

### **Multilateral Convention on Mutual Administrative Assistance in Tax Matters**

12:20 - 12:50 **Speaker:** Pascal Saint-Amans - OECD (30')

12:50 - 13:00 **Commentator:** Socorro Velazquez - CIAT (10')

13:00 - 13:20 Discussion (20')

13:20 - 14:30 Lunch

## Integration Afternoon

**Wednesday, April 25**

**Morning**

**Topic 2**                      **Satisfaction and Quality of Service provided by the tax administration to the taxpayer**

**Country Case 2.1.** Mechanisms for measuring the Quality of Service provided to the taxpayer and results achieved.

**Moderator:**                      Italia

09:00 - 09:20                      **Speaker:**                      Sweden (20')

09:20 - 09:40                      **Discussion**                      (20')

**Country Case 2.2.** Mechanisms implemented for assisting taxpayers in remote geographical areas.

**Moderator:**                      Uruguay,

09:40 - 10:00                      **Speaker:**                      New Zealand (20')

10:00 - 10:20                      **Speaker:**                      Ecuador (20')

10:20 - 10:50                      **Coffee break**

10:50 - 11:30                      **Discussion (40')**

**Country Case 2.3.** Strategies aimed at improving the Quality of the Service.

**Moderator:**                      Barbados

11:30 - 11:50                      **Speaker:**                      U.S.A. (20')

11:50 - 12:10                      **Speaker:**                      Portugal (20')

12:10 - 12:50                      **Discussion (40')**

12:50 - 14:15                      **Lunch**

## Afternoon

14:15 - 15:10

**Panel 2: ADVANTAGES AND DISADVANTAGES OF MEASURING THE QUALITY OF SERVICE PROVIDED TO THE TAXPAYERS:** What methodology should be used, how often should it be done? Dissemination of results and actions to be undertaken.

**Moderator:** María Raquel Ayala - CIAT

**PARTICIPANTS:** Ecuador, New Zealand, Spain, USA

**Topic 3: Measurement of VAT and Income Tax evasion by individual and corporate taxpayers.**

**Moderator:** Trinidad & Tobago

15:10 - 15:40

**Speaker:** Chile (30')

15:40 - 15:50

**Commentator:** India (10')

15:50 - 16:30

Discussion (40')

16:30 - 16:55

Coffee break

16:55 - 17:30

Participation of the Minister of Finance of Chile, Dr. Felipe Larraín Bascuñán.

Thursday, April 26

**Morning**

Country Case 3.1. Methodologies for estimating income tax and VAT evasion.

**Moderator:** Chile

09:00 - 09:20 **Speaker:** Miguel Pecho - CIAT (20')

09:20 - 09:40 **Speaker:** Paraguay (20')

09:40 - 10:00 **Speaker:** ECLAC (20')

10:00 - 10:40 Discussion (40')

10:40 - 11:00 Coffee break

Country Case 3.3. Design of plans for controlling evasion and indicators of management results.

**Moderator:** Guyana

11:00 - 11:20 **Speaker:** Argentina (20')

11:20 - 11:40 **Speaker:** Colombia (20')

11:40 - 12:10 Discussion (30')

12:10 - 13:30 **Lunch**

**Afternoon**

**13:30 - 14:30** Panel 3: **THE METHODOLOGIES FOR MEASURING EVASION AND THE DESIGN OF CONTROL PROGRAMS: Pros and cons. Fundamental agreements and structural disagreements.**

**Moderator:** Miguel Pecho - CIAT

**PARTICIPANTS:** Chile, Dominican Republic, IDB, Peru

**14:30 - 15:30** **Presentation of the Project CIAT / IADB / CAPTAC-DR on “The State of the Latin American Tax Administrations”**

**15:30 - 15:50** Discussion (20')

**15:50 - 16:10** Coffee break

**16:10 - 17:20** **Closing session**

**16:10 - 16:20** Evaluation of event

**16:20 - 16:50** Final considerations – Jeffrey Owens

**16:50 - 17:20** Closing Ceremony



**Inter-American Center of Tax Administrations – CIAT**

**46<sup>th</sup> CIAT GENERAL ASSEMBLY**



**“IMPROVING THE PERFORMANCE OF THE TAX ADMINISTRATION:  
EVASION CONTROL AND TAXPAYER ASSISTANCE”**

**TECHNICAL PROFILE**

**Santiago, Chile  
April 23 – 26, 2012**

## **MAIN THEME: IMPROVING THE PERFORMANCE OF THE TAX ADMINISTRATION: EVASION CONTROL AND TAXPAYER ASSISTANCE**

Currently, tax administrations are attributing ever greater importance to improving their levels of efficiency in relation to two of its essential functions, namely: control and taxpayer assistance.

The world economic crisis, which has affected every country to a greater or lesser extent, has exercised great pressure on tax organizations urging them to achieve greater and better results for relieving the economic difficulties faced by governments.

The main theme of the Assembly will analyze the alternatives being implemented by the countries to combat evasion and improve taxpayer assistance, it being understood that, today more than ever, voluntary compliance must continue to be promoted, while at the same time exercising more effective, innovative and specialized controls that may allow for expanding the tax base and increasing collection.

To this end, technology, much in the same way as it has been for many years, continues to be for the tax administrations the essential support tool, along with the design and application of methodologies for measuring income tax and VAT evasion. It is not only a matter of reliably quantifying the latter, but of obtaining detailed information on the main sources of noncompliance, their modus operandi and on that basis, begin scheduling better oriented and successful control actions.

### **TOPIC 1. The Use of Information and Communication Technologies to Improve Performance and Facilitate Compliance.**

Information technologies are an important support to all of the tax administrations' working spheres. In particular, efforts have been devoted to developing or implementing and adjusting programs for intensifying and fine tuning control actions, as well as increasing and improving taxpayer services.

It is important to be aware of how ICTs have contributed and continue to improve control and facilitate compliance through their own developments, outsourcing or the combination of both modalities, in such aspects as security, support, contingency plans, reliability of information received and sent to the administration as well as the taxpayers, their processing as well as management.

1.1. e-Facilitation of Compliance: Taxpayer services provided via Internet are an ever more important factor in simultaneously promoting voluntary compliance and creating subjective risk. Therefore, it is necessary to introduce and improve the services offered to the taxpayer. These include the development of applications which by means of the technologies may improve the processes and provide a better service. Some examples are: the electronic invoice, tax refunds, the tax return prepared by the administration,

appeals and administrative procedures, requests and sending of information and on-line examination, among others.

1.2. e-Control of noncompliance: massive crosschecks are an essential tool for examining noncompliance with VAT and individual and corporate income tax. This involves aspects dealing with VAT control through purchase and sales records; information regarding the change of taxpayers; the control of exporters and third party information, especially in relation to income tax, among others.

1.3. e-cooperation: Information technologies that may allow information exchange between national and international entities. The development of computerized programs that may facilitate the exchange of information at the level of countries and national entities is a fundamental control basis. Some of the issues to be analyzed involve the characteristics of those electronic formats that may not only facilitate information exchange, but that may allow systematization as regards internal taxes and customs duties, the advantages, conditions and results achieved.

## **TOPIC 2. Satisfaction and Quality of Service Provided by the Tax Administration to the Taxpayer**

2.1. Mechanisms for measuring the Quality of Service provided to the taxpayer and results achieved.

Currently there is a variety of services available which even though they are a great step forward in assistance actions, there is also concern with respect to their quality. Given the increasing demand by taxpayers and citizens in general for greater and better services, it is important to evaluate the existing ones, in order to improve, reconsider or substitute them with others of greater quality and effectiveness. In the presentation of this case, it is important to consider the existing measurement mechanisms, the periodicity with which they are applied, the results achieved and adjustment plans as an outcome of the administration's operation.

2.2. Mechanisms implemented for assisting taxpayers in remote geographical areas.

The outsourcing of collection services, in particular, led to the elimination of offices by many tax administrations in most medium and small towns, in order to focus on the control, collection and assessment functions, for example. However, the tax administration's presence in these geographical areas has recovered importance, with a view to assisting those residents who face difficulties in accessing information and service, either because of insufficient road and telecommunications infrastructure or coverage restrictions. It is thus important to analyze the mechanisms used for assisting those taxpayers, the cost-benefit relationship, the proposed objectives and results achieved.

2.3. Strategies aimed at improving the Quality of the Service.

Topic 2.1 discusses the mechanisms for measuring the quality of services rendered to the taxpayer. After achieving these results or determining that it is necessary to improve the quality of the service, which are the strategies developed for increasing the levels of satisfaction and effectiveness of those services? Who is responsible for their implementation? How are they reviewed and how frequently?

### **TOPIC 3. Measurement of VAT and Income Tax evasion by personal and corporate taxpayers.**

The measurement of VAT and income tax evasion is essential for determining the tax administration's control actions. However, there are varying positions in relation to this issue, mainly because of the interpretation of results achieved from the information sources used and the greater or lesser consideration of variables that may impact them.

Currently the tax administrations are challenged with delivering reliable results with respect to whatever may represent evasion, especially at a time when the administration's role as collecting entity is more crucial than ever. The dissemination of such results to society as supervisor of the State's function acquires greater relevance when compared to past periods when the amounts were unknown and likewise, no credible periodic measurements were carried out.

#### **3.1. Methodologies for estimating Income Tax and VAT evasion.**

The methodologies used, in particular, have been the subject of controversy throughout the years. There is no agreement as to which could be the best methodologies and especially the information source used for undertaking the corresponding estimates. Different factors are specifically taken into account in the case of VAT and income tax and in turn, in the latter's case, the situation is not the same when referring to individuals and corporations or businesses.

The methodologies applied and pros and cons of each of them, the information sources used and results expected are among the aspects to be considered in this case study.

#### **3.2. Measurement of sectorial evasion.**

Specifically, there has been progress in measuring evasion by business sectors, economic sectors, types of taxpayers and economic and social regions, among other analyses, in order to specifically determine the sources of evasion and the design of control programs that may effectively respond to such causes. Initially, it represents a study and analysis effort but one that brings about savings, with better and greater results following the implementation of actions by the control areas. It also affords greater fairness in the application of the tax system by differentiating between taxpayers who generally show appropriate tax behavior and does who do not.

### 3.3. Design of plans for controlling evasion and indicators of management results.

As seen in the previous topics, in measuring evasion one must determine its causes; identify the evaders and provide important information on inappropriate behaviors in order to design more efficient and effective control plans. Likewise, the design of management indicators and their application constitute the tool for measuring the success of the plans or identifying the adjustment, modification or correction needed.