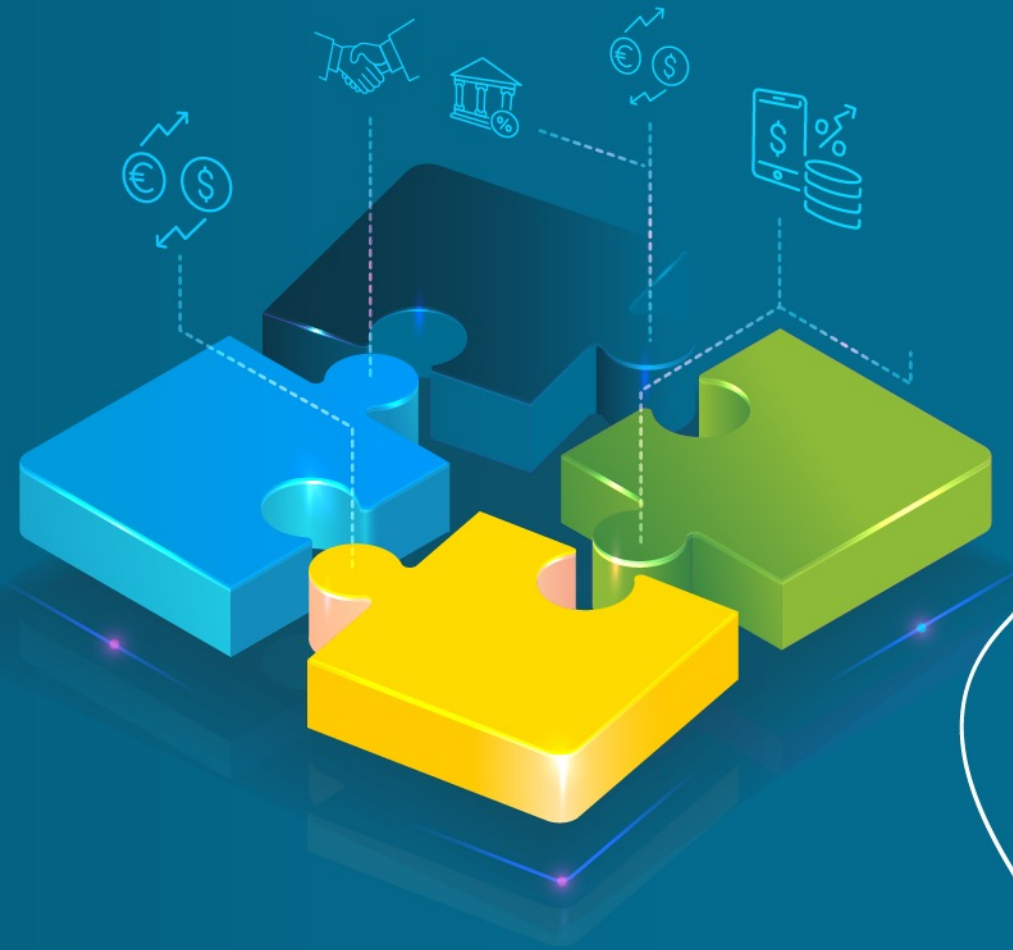


CUMPLIMIENTO TRIBUTARIO **COLABORATIVO**

La nueva forma de relacionarse entre los
contribuyentes y la Administración Tributaria

Cooperative Compliance:
Breaking the Barriers

Jeffrey Owens, Jonathan Leigh-Pemberton, Timoleon Angelos Christodouloupoulos





Agenda

1. How has it started and developed?
2. How does it work?
3. What are the benefits?
4. How does it fit in the post-BEPS scenario?
5. Cooperative compliance pilots
6. GTPC cooperative compliance project
7. Next steps



How has it started ...?

From enhanced relationship to cooperative compliance

Injecting rigor into the concept: justified trust and the central part that tax control frameworks have to play

OECD/FTA Reports:

- ✓ **2008** Study into the Role of the Tax Intermediaries
- ✓ **2013** Co-operative Compliance: A Framework - From Enhanced Relationship to Co-operative Compliance
- ✓ **2016** Co-operative Tax Compliance: Building Better Tax Control Frameworks

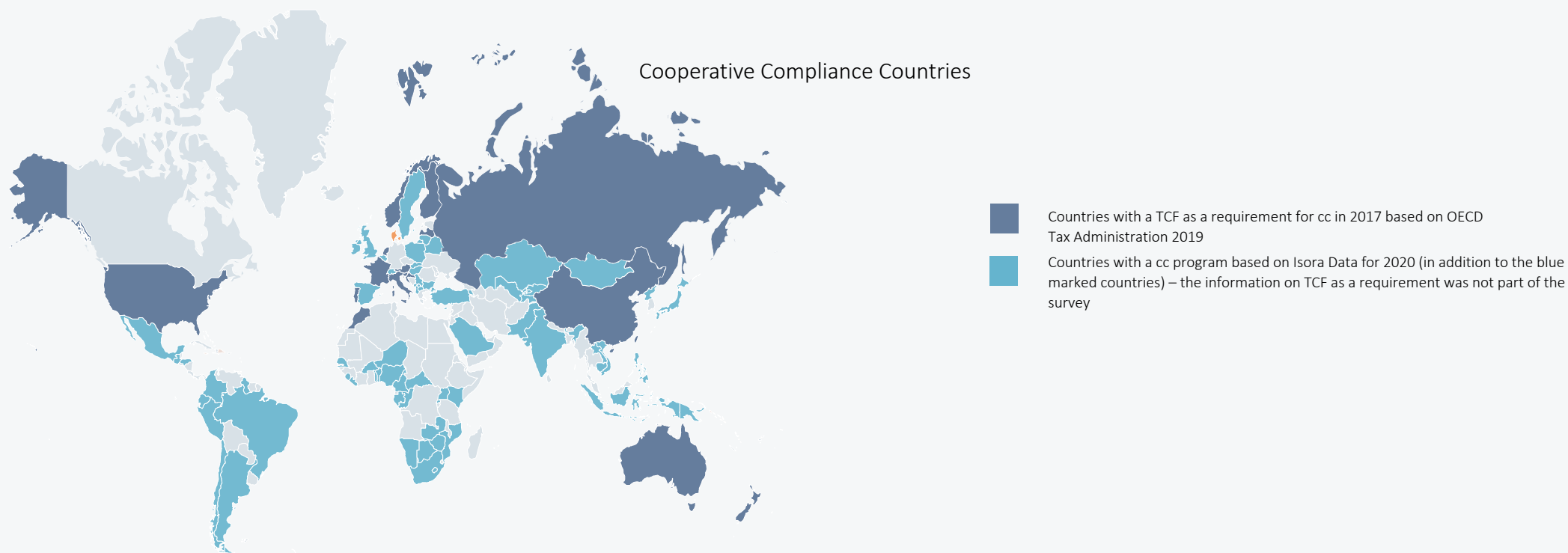


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Tributaria

... and developed?



Based on CIAT, IMF, IOTA, OECD (2022), International Survey on Revenue Administration: 2020 and 2021 & OECD Tax Administration 2019



How does it work? – essential features

For the Tax Administration:

- Commercial Awareness
- Impartiality
- Proportionality
- Openness and transparency
- Responsiveness
- Governance
- Strategic Fit



For the Taxpayer

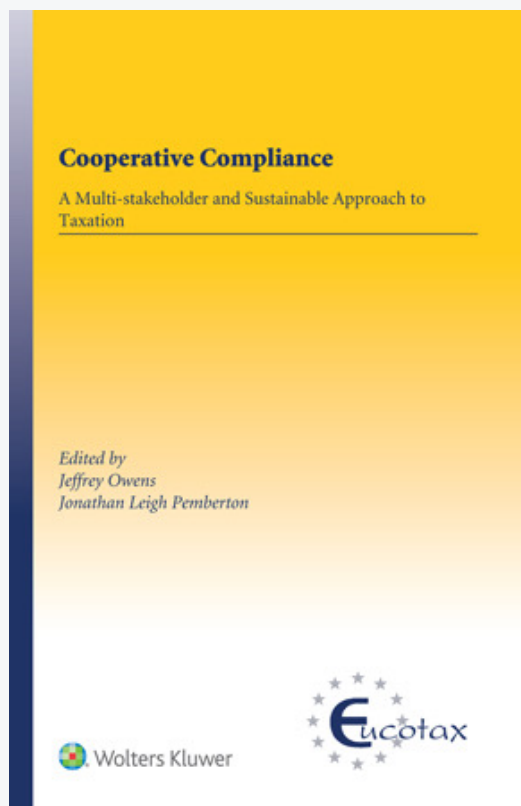
Disclosure and
transparency
underpinned by a robust
tax control framework



Handbook on cooperative compliance

The WU Global Tax Policy Center (GTPC) in cooperation with the International Chamber of Commerce (ICC) and the Commonwealth Association of Tax Administrators (CATA), has developed a handbook on cooperative compliance. The handbook provides practical guidance on cooperative compliance. The issues addressed include:

- Who should participate – criteria for access
- A closer look at the TCF
- How to ensure the program is credible – securing trust from society





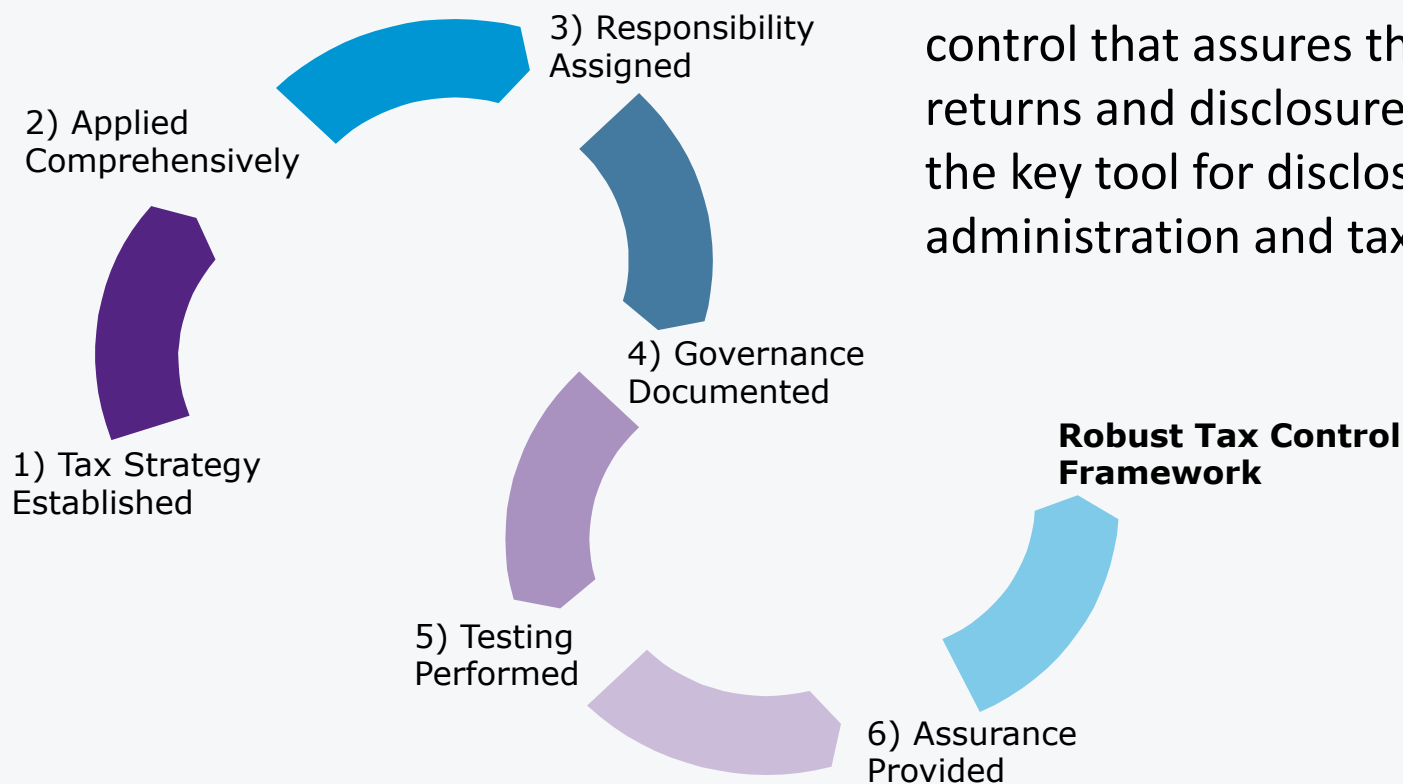
Criteria for Access?

- Most programs are limited in terms of who may access, usually to “large taxpayers”. Size criteria vary but can include turnover, balance sheet, mixture of the two.
- Often overlaps with the definition of the large taxpayer program:
 - Addresses firms that present particular tax compliance risks in terms of the scale and complexity of their affairs;
 - Are subject to greater scrutiny; and
 - Have sophisticated systems of internal control.
- Our conclusion – it is the reliability of the tax control framework that is critical.
- Otherwise, programs should be open to all qualifying taxpayers but should be voluntary.
- Tax Administration should have discretion to decide whether to accept taxpayers into the program.
- We see some examples of CC programs for smaller taxpayers but intermediaries tend to be key. Longer-term, technology may help to deliver a similar outcome for smaller businesses (transparency in exchange for certainty0>



How does it work? – tax control framework

The **Tax Control Framework** is the part of the system of internal control that assures the accuracy and completeness of the tax returns and disclosures made by an enterprise. The TCF is seen as the key tool for disclosure and transparency between the tax administration and taxpayer. (OECD 2013 & 2016)





Cooperative compliance: Justified Trust

- The existence of a robust Tax Control Framework provides objective grounds for accepting that the taxpayer's returns and disclosures, including uncertain tax positions are complete and reliable.
- But wider society needs convincing: is this a rigorous process or evidence of a “cosy” relationship?
- Transparency on the part of the tax administration helps: the scope of the program, the eligibility criteria etc.
- Transparency on the part of taxpayers:
 - Tax reporting standards – OECD BEPS 13, GRI 207, public country by country reporting.
- A common approach to assuring tax control frameworks – ideally an agreed international standard



GTPC cooperative compliance project

In addition to the practical guidance, the handbook identified areas where further guidance is needed. The identified areas are:

- Assurance Standard for Tax Control Frameworks
- Multilateral cooperative compliance
- Measuring the costs & benefits of cooperative compliance



Assurance standard for Tax Control Frameworks

Project Objectives



- Provide guidance on the content, requirements and assurance of TCF
- Develop a framework on which common assurance standards can be built and relied upon by tax administrations, external assurance providers and taxpayers alike.

Next steps



1. Initial survey with tax administrations and taxpayers
2. Interviews and survey to evaluate TCF characteristics
3. Develop and publish guidance

Among others, the guidance will include:

- a **maturity model** to help taxpayers self-assess the current level of their tax control framework based on defined attributes.
- **TCF characteristics**: The purpose of the TCF characteristics is to define the requirements in more detail. In a hierarchical order, the TCF consists of different building blocks (e.g. the six building blocks defined by the OECD). A building block consists of different characteristics that define the requirements for the building block and thus for the whole TCF.



Call for survey participants



If you are interested in participating in initial survey
and/or in the evaluation of TCF characteristics, please
send an email to:

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daniel.simon.dallhammer@s.wu.ac.at

timoleon.christodouloupoulos@wu.ac.at

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¡GRACIAS!

