

## **4 CO-ORDINATION OF OECD EXPERTS**

### **4.1 Guidelines on Expert Selection**

The OECD relies heavily on the generosity of the member countries that contribute to the partnership programmes with NOEs by providing the centre facilities where the events are held, as well as the experts to deliver the OECD events. The experts from member countries and the expertise that they bring with them form the basis of every OECD event and make these events different from seminars/workshops offered by other organisations. The member country co-ordinator who is responsible for organising and locating appropriate member country experts plays an important role in this process to ensure that member country experts are of the highest quality possible.

The Secretariat will provide relevant information concerning the expertise needed for each event. To assist in the process, we have also prepared the following guidelines.

#### **4.1.1 Nature of OECD Events**

The OECD events for which requests for member country could be made essentially fall into two categories: the experience sharing events and policy dialogue events.

Experience sharing events generally take place in a multilateral setting where experts from OECD countries and NOEs share their respective country experiences, the problems they have faced and solutions they have adopted. The objective of this type of events is to share our expertise and collective experiences on international tax issues and to identify and develop international “best practices” in dealing with global taxation problems to the benefit of both OECD and non-OECD partners.

This approach can be contrasted with the goals of typical events that may be offered by national tax administrations which are aimed at improving the skills of participants in applying particular aspects of their countries’ tax legislation. For this reason, OECD events emphasise an exposition of the problems faced, the variety of solutions adopted by different OECD countries and NOEs and the reasoning behind their adoption.

Policy dialogue events focus on the problems which a particular NOE face in dealing with their tax policy issues, emphasis ‘good practice’ and are usually focused on a topic that is demand driven. The policy dialogue with a particular country is expected to develop progressively as the partnership programme with that country deepens.

#### **4.1.2 Benefits to OECD Countries**

Comprehensive surveys of the impact on OECD countries and international businesses were carried out in 2002-2003. The results of these surveys showed that OECD countries value the partnerships that have been developed with NOEs through the CFA’s outreach activities. Details of these surveys have been reported to the Board in 2003 and many suggestions from the member countries have been adopted by the Board to refocus the partnership strategy.

Member countries derive many direct and indirect benefits from sending experts to OECD events. These benefits include the opportunity to obtain information on laws and practices in NOEs, to have meaningful dialogue with NOEs at an early stage through informal contacts and sharing of information, to broaden the experts’ perspective and help them resolve work related issues and to develop meaningful bilateral contacts.

Nevertheless, member countries could consider taking a more co-ordinated approach to maximize the benefits that member countries could gain from sending experts to these OECD events. This co-ordinated approach could entail some or all of the following initiatives:

- Taking an overview of the geographical and topical interests from the member country perspective and communicate these priorities clearly to the Secretariat at an early stage so that these priorities are taken into consideration when the Secretariat plans their requests;
- Brief the experts on key issues that the countries have with participants' countries with a view to inform their approaches during the OECD seminar; and
- Ensure that information obtained and bilateral contacts made by the expert during the OECD seminars are cascaded appropriately and followed up where necessary.

#### 4.1.3 Competency of OECD Experts

The feedback we have received indicates that experts who are most effective have a good set of skills that include technical knowledge in the topics that are being discussed and effective communication skills. The useful skills that experts should have include:

- Expertise in the subject matter
- Competency in instructional methodology including group facilitation
- Ability to bring practical examples and working cases to support the event content
- Sensitivity to inter-cultural differences
- Willingness to work with team of experts to ensure effective delivery

When selecting experts it is also important to recognise that OECD events deal with international taxation issues for an international audience. Therefore, some understanding of the varied cultural background of the participants, their legal environment and an awareness of potential language problems are also essential.

Technical knowledge of the materials that will be covered in an OECD event is critical to the success of the event. The exact technical knowledge that will be needed will vary from one event to the next, and depend on the combination of the team of experts that we are able to assemble for each event. The following table summarises the general technical expertise requirement for most of the regular OECD events. The event description and preliminary agenda (which are available upon request from the Secretariat) will provide more useful information about the sort of technical knowledge that is required.

Issues	Objective	Standards/ Guidelines	Technical Expertise Required
Tax Treaties	Develop with the partners the skills for the negotiation and application of bilateral tax treaties	OECD Model Tax Convention on Income and on Capital	Ability to conduct an article by article examination of the OECD Model Tax Convention and discuss the practical aspects of the negotiation, application and interpretation of the Convention
Transfer Pricing Guidelines	Encourage the adoption and effective implementation of OECD Transfer Pricing Guidelines	OECD Transfer Pricing Guidelines	Practical experience in applying the arm's length principle and transfer pricing methodologies, performing comparability, risk and functional analyses, particularly in problem areas such as intangibles and services

<b>Issues</b>	<b>Objective</b>	<b>Standards/ Guidelines</b>	<b>Technical Expertise Required</b>
Exchange of Information	Examination of the legal basis and operational aspects of exchange of taxpayer information between countries	OECD Exchange of Information Instruments and related guidelines	Practical experience in the exchange of tax information between competent authorities, including the use of new technologies to share tax information
Tax Incentives	Survey the types of incentives and issues in their design and administration		Technical knowledge and practical experience in designing or administering the common types of tax incentives and ability to assess the usefulness of these measures
Tax Policy/Income Tax Workshop	Examine policy considerations relevant to senior tax policy makers		Broad policy background covering issues such as international taxation, environmental tax, taxation and savings and employment
Tax Policy Modelling	Examine techniques used to model the revenue implications of tax policy options		Specialist tax policy modellers with in-depth knowledge and experience in micro-simulation and tax policy modelling
Auditing of Bribes Paid by Businesses	Present the OECD Bribery Awareness Handbook and OECD recommendation on non deductibility of bribes	OECD Bribery Awareness Handbook	Familiarity with the OECD Bribery Awareness Handbook and operational practical experience in combating bribery
International Tax Avoidance and Evasion	Examine tax avoidance and evasion problems in international transactions and possible responses	OECD approaches to Effective Exchange of Information; OECD report on "Improving Access to Bank Information for Tax Purposes"	Experience with avoidance and evasion practices (e.g. using offshore financial centres, tax havens, transfer pricing techniques, etc) and the potential legal and practical solutions such as exchange of information, CFC rules, the arm's length principle and thin capitalisation rules
Auditing Multinational Enterprises	Examine the legal and practical issues that a country is likely to face when auditing multinational enterprises		Auditors of multinational enterprises who are familiar with international taxation problems such as tax planning opportunities, permanent establishments, transfer pricing and thin capitalisation and the relevant administrative measures that deal with these problems

<b>Issues</b>	<b>Objective</b>	<b>Standards/ Guidelines</b>	<b>Technical Expertise Required</b>
VAT Compliance	Provide an understanding of how consumption tax law is developed and administered and how the tax operates at the international level	Consumption Tax Guidance Series	Expertise in policy development and practical administration of consumption taxes, particularly on how these taxes operate for international transactions
Management and Control of Large Taxpayers	Discuss issues involved in managing and operating large taxpayer units	Tax Administration Guidance Series	High level officials with experience in strategic oversights, management and implementation of large taxpayer units
Taxation of Financial Instruments	Explore how tax systems need to be modernised to adapt to the new global financial and capital markets	Guidelines on the Attribution of Business Profits to PE of Enterprises Carrying on Global Trading of Financial Instruments	Experience in developing tax policies and/or have practical tax audit experience in dealing with innovative financial instruments (such as hybrids, derivatives, synthetics, security lending arrangements, etc.)
Taxation of Financial Markets	Explore key domestic and international taxation issues in the financial market activities	Guidelines on the Attribution of Business Profits to PE of Banks; Guidelines on the Attribution of Business Profits to PE of Enterprises Carrying on Global Trading of Financial Instruments	Experience in developing tax policies and/or have practical tax audit experience in dealing with banking activities and/or insurance activities and/or collective investment vehicles and/or innovative financial instruments
Auditing of Small and Medium Sized Enterprises	Discuss strategies to fight domestic tax abuses and the roles of tax audits, including practical issues in tax audit procedures, techniques and tools		Experienced auditors who have a wide range of auditing experience and who understand the roles of audits in the overall tax compliance strategy
Taxation of Non-Residents	Examines the major issues of taxing non residents		Experienced policy makers or administrators dealing with issues such as residence status, sources of income and avoidance and anti-avoidance strategies

As there are usually three or four experts for each event, it is not necessary for each expert to have detailed knowledge of all areas covered during an event. However, each expert will need to have particular expertise in certain core areas. It will then be important for the experts who are brought together to work closely as a team to deliver the event.

It is also important to bear in mind the effective communication skills that are required of the experts. Considering the multinational and multilingual environment under which most OECD events are delivered, often through interpretation, this skill can not be over-emphasised. Experts that have been most successful in the past tend to be those with highly developed communication skills.

The Committee on Fiscal Affairs encourages delegates to the CFA's working parties to participate in OECD events. These delegates, being close to the development of OECD standards and guidelines, should be in a good position to pass on recent developments.

#### **4.1.4 Expert Selection Process**

Different OECD countries have adopted different processes to identify and select experts for OECD events when requests are received from the Secretariat. The process is largely effective in identifying the appropriate experts.

When selecting experts, the member country co-ordinators often balance a number of competing factors from an OECD Secretariat and member country perspective. It is important to ensure that experts chosen allow the Secretariat to assemble a team of experts that have the right skills and knowledge mix, and will include at least one experienced expert for each event. However, member countries need to ensure that new staffs with appropriate skills and knowledge are given opportunities to participate in the program, and to develop their own expertise. It is also important to ensure that each team of experts chosen meets the total needs for each event, and that a mix of returning and 'new' experts are used each year to ensure that a sufficient pool of experts for future partnership events is maintained.

Member countries are encouraged to develop and maintain a database consisting of their experts who have participated in OECD events in the past. This database could be a useful source for member country co-ordinators to help identify potential experts and could also be used by potential new experts as a reference point to establish contacts and seek advice from more experienced experts in their own country.

To ensure that the expert selection process identifies the best qualified experts, the Secretariat undertakes to issue all requests for member country experts in a timely manner and to provide as much information as possible to help identify the appropriate experts.

Appendix to this online guide contains an example of expert nomination form that member country co-ordinators may find useful as a way to collect information from the potential experts for selection purposes.

#### **4.1.5 Feedback on the Performance of OECD Experts**

The experts' performance as a group in delivering an OECD event is a subject of the end-of-event evaluation by the participants (see section 3 of the End-of-Event Evaluation form in Annex 1). A statistical summary of the end-of-event evaluation should be available approximately one month after the conclusion of the event. The event leader will make sure that the summary is provided to the experts involved in the event as feedback on their performance as a team.

In addition, we also encourage the experts to approach the event leader to seek feedback on their performance, and event leader to provide honest feedback to the experts concerning their inputs and contributions to the event on an informal basis during the event.

The event leader report that each event leader is expected to provide contains a formal evaluation of the experts. The report (see Annex 2) lists for each expert:

- (i) Areas where the expert has made a significant contribution during the event;
- (ii) Areas where the expert could refine or develop their expertise or delivery technique in order to maximise their effective contribution at similar events in the future; and
- (iii) Other general comments.

The feedback is provided directly to the experts themselves. As different OECD countries have different performance reporting structures and procedures, it will not be appropriate for the OECD to share this feedback information with anyone other than the experts themselves. It is up to the experts how they wish to use the evaluation that they have received. OECD countries could, of course, develop their own internal procedures on how they would like the experts to use the evaluation that they have received.

#### 4.1.6 Summary of the Expert Request Process for OECD Events

What	Who	When
Confirming nature, topics and dates of OECD events	Secretariat in partnership with MTCs, host countries and/or participating Non-OECD economies	By September of the year prior to the year in which events will take place
Sending the overall request for experts from member country co-ordinators	Secretariat	In the fourth quarter of the year prior to the year in which events will take place
Confirmation of experts availability to Secretariat	Member country co-ordinator	Approximately 4 weeks after receiving the request from Secretariat or as soon as practicable
Confirmation of contact details for experts	Member country co-ordinator	At least 8 weeks before the event
Expert team to be in contact to review the event content and materials	Event Leader	At least 6 weeks before the event
Pre-event expert meeting	Event co-ordinator and experts	Evening before the start of the event
Formal feedback by the experts on the event	Event leader and experts	No later than 2 weeks after the event
Feedback on individual expert's performance	Event Leader to provide to expert individually	As appropriate, but no later than 2 weeks after the event
Feedback on performance of expert team as a whole in delivering the event	Event Leader using feedback summary from participant	No later than 4 weeks after the event