



FORUM ON TAX ADMINISTRATION

Products of the Forum on Tax Administration

16 October 2006

Dear Colleagues,

Products of the Forum on Tax Administration

The Forum was created in July 2002 to develop effective responses to current administrative issues in a collaborative fashion, and to engage in exploratory dialogue on the strategic issues that may emerge in the medium to long term. To do this, it holds a major meeting aimed at heads of revenue authorities around every 18 months. In addition, it brings together other senior revenue officials in specialist sub-groups to share information and experiences and to develop guidance on good practices for resolving particular administration issues. To date, work of the Forum has principally been progressed through two subgroups—Compliance and Taxpayer Services—that formally meet once a year, but with a variety of side meetings of expert officials to progress work on specific topics. A Bureau of 12 countries meets twice a year to oversight the work program and endorse completed products that are submitted to the Committee on Fiscal Affairs for approval.

With the Secretariat's assistance, I have set out in the attachment a brief summary of work completed since the Forum was established in 2002 and made a brief reference to work for the balance of 2005-06. I hope you find this useful. All documents, unless otherwise stated, can be accessed via the OECD (www.oecd.org) and ITD websites (www.itdweb.org). Any further information should be sought from the OECD Secretariat (Richard.highfield@oecd.org) or (michele.kelly@oecd.org).

Yours sincerely

Mark Everson
Chair, Forum on Tax Administration

Products of the Forum on Tax Administration

1) Revenue administration in general

Title	Brief description	Date Released
Comparative information series (2004)	This information series provides internationally comparative data on aspects of tax systems and their administration in OECD member countries. The primary purpose of the series is to provide information that will facilitate dialogue among members on tax administration issues, and which may also identify opportunities for members to improve the design and administration of their respective tax systems.	October 2004
Taxpayers' rights and obligations	This note describes the elements of a model statement of taxpayers' rights and obligations and provides an illustrative example of a taxpayers' charter.	July 2003

2) Compliance

Title	Brief description	Date Released
VAT abuse—2004 report	This report updates member country information on VAT abuse and provides further details on approaches taken by member countries to reduce their incidence and impact. These approaches are considered at the strategic, legislative and administrative levels. The report makes special reference to the 'strategic approach' adopted by the UK, notes the significant improvement in compliance reported by the UK authorities in late 2004, and provides further information on its gap measurement methodology.	May 2005 (limited circulation)
Managing and Improving Tax Compliance — Guidance Note	The note provides a step by step description of a strategic process for the identification, assessment, and treatment of tax compliance risks, and associated monitoring and evaluation activities that are required to gauge the effectiveness of the treatment strategies implemented.	October 2004
Catalogues of Compliance Research Projects and Compliance Strategies — Information Notes	The document ' <i>Catalogue of Compliance Research Projects—Information Note</i> ' presents details of compliance research projects undertaken by member countries to better understand the factors that influence the behaviour of SMEs, largely in relation to their direct tax obligations. The document ' <i>Catalogue of Compliance Strategies—Information Note</i> ' presents descriptions of compliance interventions employed by member countries to test compliance with certain elements of a country's tax laws.	October 2004
Audit Case Selection Systems — Information Note	The note elaborates some important considerations to the design, development, and use of such systems and provides a number of case studies to illustrate particular country approaches.	October 2004
Use of Random Audit Programs — Information Note	The note elaborates the rationale, approaches, and experiences of selected countries that have conducted random audit programs, identifies some of the methodological issues to be addressed, and describes the advantages and disadvantages of such programs.	October 2004
Progress with the Development of Internet Search Tools for Revenue Administration — Guidance Note	This note focuses on several aspects of the use of Internet search tools for tax administration (i.e. tax compliance checking) purposes, namely: 1) the general background of the rise of e-commerce and the corresponding compliance issues against which the need for Internet search tools is being given substance; 2) an overview of country experiences with the use of Internet search tools; and 3) a description of the functional components of Internet search tools that could be applied in the risk identification processes of a revenue authority.	October 2004
Guidance on Tax Compliance for Business and Accounting Software (GTCBAS)	The GTCBAS note describes in general terms the standards that should be applied in the development of tax accounting software. It covers tax reporting and filing standards and focuses on means of ensuring tax audit processes can be carried out with greater reliability and in such a way that costs to both revenue authorities and business can be minimized. It also provides some guidance on how the principles may be implemented in practice. The note concludes with specific guidance to support the standards aimed at revenue bodies and software developers.	May 2005

Guidance for the Standard Audit File-Tax (SAF-T)	The SAF-T guidance note provides practical advice to business accounting software developers on the standards required of the SAF-T. It builds on the guidance contained in the GTCBAS note which recommends the use of SAF-T as a means of exporting accurate tax accounting data to revenue authorities in a way that can be read easily. It describes how the SAF-T can be used and its interactions with the main accounting systems. It recognizes the need for flexibility in format and highlights where it might best be applied. Finally, it suggests means of implementation. The annexes provide further technical elements required to support SAF-T.	May 2005
Report on the Survey of Country Practices in Debt Collection	This report, available on a restricted basis only, summarises the findings of an exploratory survey initiated by the FTA in 2005 to identify individual country approaches, experiences and impacts in their conduct of tax debt collection activities. In preparing this report, the Secretariat has taken steps to provide a considerable array of descriptive data on features of the tax debt collection arrangements in surveyed countries which I trust you will find useful. There is also a limited array of quantitative data pointing to the magnitude of tax debts and case inventories across surveyed countries.	March 2006 (limited circulation)
Workshop Report on Compliance Measurement and Evaluation	This report describes the proceedings of a workshop organised and hosted by the Canadian Revenue Agency during 2005 on selected country approaches to measuring and evaluating tax compliance. The report also provides a number of case studies in specific tax compliance areas provided after the workshop by the participating countries. The report very much represents "work in progress" on this topic and will be discussed at meetings of relevant officials in April 2006 to determine the follow-up action to be taken.	March 2006 (limited circulation)
Strengthening Tax Audit Capabilities: General Principles and Approaches	This information note focuses on audit programmes and the conduct of individual audits. It identifies common key features of audit activity found in a wide variety of tax administrations and outlines the principles underpinning these characteristics. The note does not purport to be an authoritative and comprehensive guide on how audit activities should be conducted. Rather, it draws together information provided by member countries through various information gathering activities (e.g., surveys and workshops) conducted over the last three years and presents an array of facts and observations that may assist member countries improve the efficiency and effectiveness of their audit activities in the SME sector.	October 2006
Strengthening Tax Audit Capabilities: Audit Workforce Management Survey Findings and Observations	The purpose of this note is to report the findings, observations and international comparisons derived from a survey of auditor workforce management approaches adopted in selected OECD countries. The survey, conducted over the last year and involving some 10 member countries, explored a range of matters, including: 1) identifying the required capabilities of auditors and audit managers; 2) methods for assessing auditor capability; 3) approaches to improving auditor capability; and 4) cost-benefit analysis of capability improvement programs. The report includes extensive detail from revenue bodies' responses that may assist member countries in understanding individual revenue body approaches and experiences.	October 2006
Strengthening Tax Audit Capabilities: Innovative Approaches to improve the Efficiency and Effectiveness of Indirect Income Measurement Methods	The purpose of this note is to share information concerning the strategies employed by a number of selected revenue bodies to improve the efficiency and effectiveness of indirect measurement methods used to validate and to establish taxpayers' tax liabilities in the course of tax audit activities. The note summarises the results of a short survey conducted in selected countries on their use of indirect income measurement methods, with particular emphasis on steps that have been taken to improve their efficiency and effectiveness. These include the development of industry benchmarks (using various approaches) and business specific guidance that complement use of the methods and the identification of sources of information to provide potentially valuable data concerning taxpayers' incomes (e.g., lifestyle expenditure as evidenced by credit card account data).	October 2006

3) Taxpayer Services (with technology emphasis)

Title	Brief description	Date Released
Achieving Success With Electronic Services—The Importance of Having a Sound Business Architecture	This paper is intended to help and stimulate the thinking of business people in revenue bodies (particularly those which are at a relatively early stage in their adoption of e-services) about the role that a coherent business architecture can play in shaping and improving future business activities.	April 2005
Survey of trends in the delivery of services to taxpayers using technology	This paper records the findings of a comprehensive survey of revenue bodies in member countries to identify the level of, and trends in, the use of technology to support the delivery of services to taxpayers.	February 2005
Using Third Party Information Reports to Assist Taxpayers Meet their Return Filing Obligations—Country Experiences With the Use of Pre-populated Personal Tax Returns	This information note briefly describes the use of pre-populated returns that has become a feature of the personal tax systems in Nordic region countries over the last decade or so and more recently in Spain and Chile. In doing so, it elaborates on a number of success factors critical to the efficiency and effectiveness of these arrangements (e.g., comprehensive third party reporting systems, use of high integrity taxpayer identifiers, compatible legislative framework, and effective use of technology by both third parties and the revenue body), bearing in mind the objective of providing as many taxpayers as possible with a pre-filled return that is largely complete. Although not studied in detail, the report also outlines the potential benefits and costs arising from use of these arrangements.	March 2006
Strategies for Improving the Take-up Rates of Electronic Services	This note summarises the findings of a survey across 8 member countries to gather information on the key strategies employed to promote increased take-up of electronic services.	March 2006
Management of Email	This report outlines the findings from a survey of revenue bodies in six member countries (i.e., Australia, Canada, New Zealand, Netherlands, UK and US) of solutions implemented, both administrative and technical, to manage email communications with taxpayers. The objective of this work was to share information about email implementations in relation to levels of success, issues encountered and/or resolved, processes employed, design/details of systems in use, technical/security design and any other aspects seen as relevant by the participating revenue bodies and to determine any further work required in this area.	March 2006
Application Software Solutions Being Used to Support the Technical Architecture of Selected Revenue Bodies	This note summarises information provided by revenue bodies in 7 OECD member countries (i.e., Australia, Canada, New Zealand, Norway, The Netherlands, UK and US) to a 2005 survey regarding application software solutions, both custom-built and commercial off-the-shelf (COTS), planned or being implemented to support revenue administration. The aim of this work was to provide an inventory of solutions being adopted by a select number of national revenue bodies to support the technical architecture of revenue bodies' IT systems and to identify areas of commonality in approach, thus facilitating cross-country exchanges of experiences to assist future decision making in this area. The information in this note is intended to supplement the guidance contained in the note issued in April 2005 titled 'Achieving Success with Electronic Services – The Importance of Having a Sound Business Architecture'	March 2006

4) Electronic Commerce

Title	Brief description	Date Released
Business Identification Guidance	The purpose of this note is to encourage appropriate standards of identification for businesses offering services or products via the Internet.	July 2003
Transaction Information Guidance	The purpose of this note is to encourage appropriate guidance on transaction information for businesses offering services or products via the Internet. The paper is written from an audit perspective—to ensure that an appropriate amount of information exists in the transaction so as to enable verification of the tax results arising from the transaction or aggregated series of transactions.	July 2003

Record Keeping Guidance	The purpose of this note is to set out guidance that will encourage appropriate standards for record keeping by businesses offering services or products via the Internet. The guidance is equally applicable to transaction-based taxes (GST/VAT) and direct taxes that make use of aggregated transaction information. It is aimed specifically at record keeping requirements for e-commerce although its principles apply equally to all computerised record keeping.	July 2003
Electronic Payment Systems—Accountability Guidance	The purpose of this note is to encourage an appropriate level of accountability in electronic payment systems in a manner consistent with historical precedent so that taxpayers can continue to rely on data from these systems to substantiate their tax position.	July 2003

Forthcoming Products of the Forum on Tax Administration in 2006

1) Revenue administration

- An updated and expanded Comparative Information Data Series (2006).