

## 2021 FTA “PARIS” PLENARY COMMUNIQUE

We, the Heads and representatives of 52 tax administrations, met for the [14<sup>th</sup> Plenary meeting](#) of the OECD Forum on Tax Administration (FTA) on 16 – 17 December<sup>1</sup>. The Plenary meeting, which was due to be held in Paris has, of necessity, been moved to a fully virtual format. The Plenary programme, which included a series of pre-meetings at Commissioner level as well as the Plenary itself, brought together over 280 delegates. These included Tax Commissioners and senior officials, representatives of business as well as international partner organisations.

During 2021, as in 2020, many jurisdictions have continued to face challenging circumstances as a result of the COVID-19 pandemic. Tax administrations have continued to play an important role in helping their governments to deliver measures to support individuals and businesses as well as collecting the revenues necessary to fund government services. We are very proud of our officials and employees who continue to rise to these challenges and to make the necessary adaptations and innovations so that we can deliver services to taxpayers effectively and efficiently. Despite its many challenges, the pandemic also brought tax administrations closer together as we co-operated at pace on common challenges and sharing lessons learned. We look forward to building on this in our ongoing interactions.

Over the last year, we have learned from each other’s experiences as we respond to the many different issues arising from the pandemic, including how to ensure sustainable remote working as well as in-depth discussions between experts on common issues such as risk management, tax debt management and recruitment and retention. We have also continued collaborative work on possible enhancements to how tax is administered, in particular through the set of actions coming out of the [Tax Administration 3.0 report](#) published in December 2020, the publication of a guide on the use of behavioural insights in tax administrations and the expansion of the [International Compliance Assurance Programme](#) (ICAP).

At this year’s Plenary, in addition to discussions on lessons learnt from the crisis and on future risks and challenges, we focused on three key areas of FTA collaboration:

- The implementation of the Two-Pillar Solution to address the tax challenges arising from the digitalisation of the economy;
- The digital transformation of tax administrations in support of a more seamless model for taxation; and
- Tax capacity building to support developing country tax administrations.

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<sup>1</sup> The [Forum on Tax Administration](#) brings together Tax Commissioners from 53 advanced and emerging tax administrations worldwide, including all OECD and G20 countries. Our goal is to work collaboratively on global tax administration challenges and opportunities, to ensure the fair, effective and efficient collection of public revenues. Together FTA members collect over EUR 12.5 trillion in revenues annually.

## Implementation of the Two-Pillar Solution and Tax Certainty

Commissioners discussed the main implementation issues following the [landmark agreement on the Two-Pillar solution](#) for tackling the challenges of the digitalisation of the economy. Commissioners agreed to:

- Work with the appropriate bodies of the Inclusive Framework on the administrative aspects related to implementation of the Two-Pillar Solution, with a view to ensuring consistency and practicality in implementation.
- Consider the possible expansion of ICAP, where appropriate and proportionate, as well as other early tax certainty tools such as multilateral advance pricing arrangements (APAs) for multinationals, especially those in scope of Pillar One, both in order to reduce burdens and, where possible, to lead to increased upfront tax certainty for issues related to Amount A.
- Take forward the work on the development of more secure channels for multilateral interactions between tax administrations when discussing confidential taxpayer information, including in the context of the application of the rules implementing the Pillars.

## Digital transformation of tax administration

Following agreement at the 2020 FTA Plenary, collaborative work has been progressing on a set of priority projects related to the digital transformation of tax administration, based on Tax Administration 3.0. Commissioners received an update on these projects at the Plenary and agreed to:

- Promote the further development and use of a new digital transformation maturity model, published at the Plenary, in order to assist tax administrations globally in understanding their current level of maturity and to inform possible future reforms.
- The launch and further development of a new web-based Inventory of Tax Technology Initiatives in February 2022, a prototype of which was demonstrated at the Plenary. This Inventory, developed by the OECD in collaboration with the African Tax Administration Forum (ATAF), the Inter-American Center of Tax Administrations (CIAT) and the Intra-European Organisation of Tax Administrations (IOTA), will provide an overview of digitalisation practices and initiatives globally as well as case studies and reference materials.
- A range of activities to take forward the recommendations in the report on Supporting the Digitalisation of Developing Country Tax Administrations, published at the Plenary (see below).
- To publish updates in 2022 of ongoing work on digital identity, e-invoicing and the role of digital platforms in reporting information to allow us to consider:
  - Possible common approaches to the digital identification of taxpayers in cross-border situations to make tax compliance easier and to reduce burdens;
  - Options for addressing the main cross-border e-invoicing issues that can arise both for administrations and businesses operating across jurisdictions;
  - Practical further steps that tax administrations might take, working together with sharing and gig economy platforms, to make the taxation of those selling goods and services through sharing and gig economy platforms a more seamless and less burdensome process.

Commissioners also agreed to develop a new strategic framework in 2022 to inform both domestic decision-making as well as future collaborative projects related to both digitalisation and digital transformation, in co-operation with relevant stakeholders. This focus on the wider spectrum of tax and technology options recognises that tax administrations are at different stages of their digitalisation journey, operate in different legal and societal contexts and have different priorities.

## Tax Capacity building

As agreed at the 2020 Plenary, Commissioners met in early 2021 to discuss how FTA members can best assist developing countries in their tax capacity building efforts without duplicating the capacity building programmes of other international organisations or bilateral assistance programmes. Further to these discussions, we agreed at the Plenary to support:

- The delivery, through the OECD Global Relations Programme, of high priority training on the implementation of the Two-Pillar Solution and the development of relevant tools, guides and templates to assist with effective implementation.
- The development of further guidance, case studies and other relevant materials relating to the practical issues covered in the report on Supporting the Digitalisation of Developing Country Tax Administrations.
- A new pilot Tax Inspectors Without Borders programme, in partnership with UNDP, to provide confidential advice on high-level strategic and change management issues relating to digitalisation.
- The use of the Digital Transformation Maturity Model by developing country tax administrations as well as their participation in the new Inventory of Tax Technology Initiatives.
- The continued use and development of the Knowledge Sharing Platform for Tax Administrations (KSP<sub>TA</sub>) as an important tool, as was demonstrated during the pandemic, to support capacity building through connecting-up tax administrations, sharing materials and hosting training.

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Finally, we are very grateful to Australia and Singapore for having offered to host the 2022 and 2023 Plenaries respectively, and we very much look forward to being able to meet again in person.

Information on the FTA reports released at the Plenary, as well as in the period since the 2020 “Amsterdam” virtual Plenary, are contained in the Annexes to this Communique, as are a list of Plenary participants and the FTA Plenary agenda.

**Annex A – List of Participating Tax Administrations and Organisations**

|                |             |                    |
|----------------|-------------|--------------------|
| Argentina      | Hong Kong   | Norway             |
| Australia      | Hungary     | Poland             |
| Austria        | Iceland     | Portugal           |
| Belgium        | India       | Romania            |
| Brazil         | Indonesia   | Russian Federation |
| Canada         | Ireland     | Saudi Arabia       |
| Chile          | Israel      | Singapore          |
| China          | Italy       | Slovak Republic    |
| Colombia       | Japan       | Slovenia           |
| Costa Rica     | Kenya       | South Africa       |
| Czech Republic | Korea       | Spain              |
| Denmark        | Latvia      | Sweden             |
| Estonia        | Lithuania   | Switzerland        |
| Finland        | Luxembourg  | Turkey             |
| France         | Malaysia    | United Kingdom     |
| Georgia        | Mexico      | United States      |
| Germany        | Netherlands |                    |
| Greece         | New Zealand |                    |

**International Organisations**

Asian Development Bank (ADB)  
African Tax Administration Forum (ATAF)  
International Monetary Fund (IMF)  
Intra-European Organisation of Tax Administrations (IOTA)  
International Tax Compact (ITC)

**Private Sector**

## Annex B – 2021 14th FTA Plenary Agenda, Paris Virtual Plenary

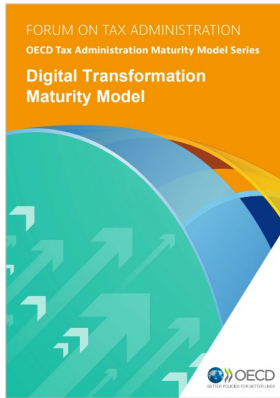
### DAY 1: 16 December 12:30 – 16:30

|                      |   |
|----------------------|---|
| <b>12:30 – 14:15</b> | <b>SESSION 1: OPENING AND REFLECTIONS</b>   |
| 12:30 – 13:00        | <b>Opening remarks:</b> <ul style="list-style-type: none"> <li>• <b>FTA Chair, Commissioner Bob Hamilton</b></li> <li>• <b>Commissioner Jérôme Fournel, France</b></li> </ul>   |
| 13:00 – 14:15        | <b>Look Back and Look Forward</b><br><i>A two part conversation among Commissioners led by the Chair. The first part will look at what are expect to be the lasting changes coming out of COVID-19 as well as the short-term challenges likely to be faced during the COVID-19 recovery period. The second part will look at the longer-term strategic challenges that Commissioners are seeing. The Chair will call upon individual Commissioners for their thoughts after opening remarks.</i> <ul style="list-style-type: none"> <li>• <b>Moderator: Chair, Commissioner Bob Hamilton</b></li> </ul> |
| <b>14:15 – 16:20</b> | <b>SESSION 2: IMPLEMENTATION OF THE TWO PILLAR AGREEMENT</b>  |
| 14:15 – 14:35        | <b>Pillar 1 and Pillar 2 implementation issues and role of the FTA</b><br><i>The Chair will introduce the session on the implementation of the Pillars, inviting the Secretariat to set the scene for the following break-out discussions.</i> <ul style="list-style-type: none"> <li>• <b>Pascal Saint-Amans, Director, Centre for Tax Policy and Administration</b></li> <li>• <b>Achim Pross, Head of Division, Centre for Tax Policy and Administration</b></li> </ul>  |
| 14:35 – 14:45        | <b>BREAK</b>  |
| 14:45 – 15:30        | <b>Pillar Implementation Break-out Groups</b><br><i>Commissioners will join pre-assigned break-out groups on Pillar 1 and Pillar 2 for a discussion on the main tax administration challenges and priorities regarding implementation of the pillars, including priority areas for capacity building.</i>   |
| 15.30 –15.40         | <b>BREAK</b>  |
| 15:40 – 16:20        | <b>Report backs from each break-out group</b><br><i>The Chair will ask the facilitators of each break-out group to report back to the Plenary on their group discussions and then take any additional comments from Commissioners before turning to <b>Second Commissioner Jeremy Hirschhorn, Australia</b>, to present on the possible FTA role in supporting implementation of the Pillars.</i>   |
| 16:20 – 16:30        | <b>CLOSE OF DAY 1</b>   |

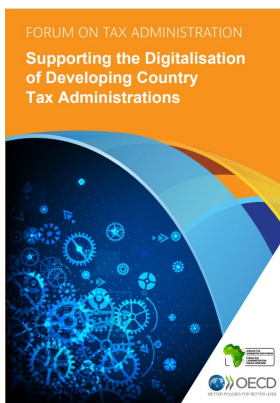
### DAY 2: 17 December 12:30 – 16:30

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|----------------------|--|
| <b>12:30 – 13:30</b> | <b>SESSION 3: TOP OF MIND TOPICS</b>   |
| 12:30 – 13:00        | <b>Report backs from the Pre-Plenary Discussion Meetings</b><br><i>The Chair will invite a rapporteur from each of the five pre-Plenary discussion groups to report back on the main points emerging from their meetings.</i> <p><b>Rapporteurs:</b></p> |

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|----------------------|--|
|                      | <ul style="list-style-type: none"> <li>• <b>Commissioner Niall Cody, Ireland: Group 1:</b> Top and emerging risks</li> <li>• <b>Commissioner Jérôme Fournel, France: Group 2:</b> Trust and reputation</li> <li>• <b>Commissioner Jesús Gascón, Spain: Group 3:</b> Post-COVID-19 changes</li> <li>• <b>Commissioner Nina Schanke Funnemark, Norway: Group 4:</b> Effectuating change rapidly</li> <li>• <b>Commissioner Ieva Jaunzeme, Latvia: Group 5:</b> Addressing human resource challenges</li> </ul>   |
| 13:00 – 13:30        | <p><b>Discussions and reactions</b></p> <p><i>The Chair will open the floor for Commissioners to add, or react to the report backs from the different pre-Plenary meetings.</i></p>  |
| <b>13:30 – 14:20</b> | <b>SESSION 4: CAPACITY BUILDING LANDSCAPE AND INITIATIVES</b>  |
| 13:30 – 14:20        | <p><b>FTA Capacity Building</b></p> <p><i>The Chair will invite Commissioner Angela MacDonald to moderate a discussion of the FTA's role within the capacity building ecosystem going forward, including the priorities and challenges ahead.</i></p> <ul style="list-style-type: none"> <li>• <b>Moderator: Commissioner Angela MacDonald, United Kingdom</b></li> <li>• <b>Commissioner Githii Mburu, Kenya</b></li> <li>• <b>Commissioner Mohd Nizom Sairi, Malaysia,</b></li> <li>• <b>Commissioner Katrin Westling Palm, Sweden</b></li> </ul>                        |
| 14:20 – 14:30        | <b>COFFEE BREAK</b>  |
| <b>14:30 – 15:30</b> | <b>SESSION 5: DIGITALISATION – OUTPUTS AND NEXT STEPS</b>  |
| 14:30 – 15:30        | <p><b>Digitalisation and Digital Transformation: FTA work</b></p> <p><i>The Chair will invite the sponsoring Commissioners to presentation on the outcomes of recent FTA collaborative work on digitalisation and digital transformation and planned future work.</i></p> <ul style="list-style-type: none"> <li>• <b>Commissioner Ng Wai Choong, Singapore – Maturity Model</b></li> <li>• <b>Commissioner Daniil Egorov, Russia – Inventory of Tax Technology Initiatives</b></li> <li>• <b>Commissioner Nina Schanke Funnemark, Norway – Future FTA Work</b></li> </ul> |
| <b>15:30 – 16:10</b> | <b>SESSION 6: FUTURE INTERNATIONAL TAX CHALLENGES</b>  |
| 15:30 – 16:10        | <p><b>Future International Tax Challenges</b></p> <p><i>The Chair will moderate a panel discussion considering the big picture global tax challenges of the future which may require multilateral solutions.</i></p> <ul style="list-style-type: none"> <li>• <b>Moderator: Chair, Commissioner Bob Hamilton</b></li> <li>• <b>Pascal Saint-Amans, Director, Centre for Tax Policy and Administration</b></li> <li>• <b>Katherine Baer, International Monetary Fund</b></li> </ul>   |
| <b>16:10 – 16:30</b> | <b>SESSION 7: CLOSING SESSION</b>  |
| 16:10 – 16:20        | <p><i>The Chair will introduce the closing session which will cover:</i></p> <ul style="list-style-type: none"> <li>• Agreement of the 2022 work programme and Statement of Outcomes</li> <li>• Look forward to the Sydney Plenary in 2022</li> <li>• Closing remarks</li> </ul>   |
| <b>16:20 – 16:30</b> | <b>CLOSE</b>   |

**Annex C – Forum on Tax Administration Reports Issued at Paris Virtual Plenary****Digital Transformation Management Maturity Model**

The Digital Transformation Management Maturity Model provides a new self-assessment tool to help tax administrations examine their current level of maturity and identify possible future reforms. This new Maturity Model is one of the first outputs following on from the OECD FTA's 2020 publication 'Tax Administration 3.0' which set out a future vision of future seamless tax administration. In addition to the Maturity Model itself, the new report also sets out the results of the self-assessments undertaken by 30 tax administrations from across the globe.

**Supporting the Digitalisation of Developing Country Tax Administrations**

Produced by the OECD Centre for Tax Policy and Administration in collaboration with the African Tax Administration Forum (ATAF), this report examines the common elements of successful digitalisation journeys, and the benefits they can deliver. It also provides detailed case studies and examples of successful digitalisation programmes that may assist developing countries as they consider their digitalisation journey, as well as highlighting sources of additional support.

## Annex D – Forum on Tax Administration Reports Published since the FTA Amsterdam 2020 Virtual Plenary

### [Tax Administration Responses to COVID-19: Administrative measures to facilitate withholding tax relief claims](#)



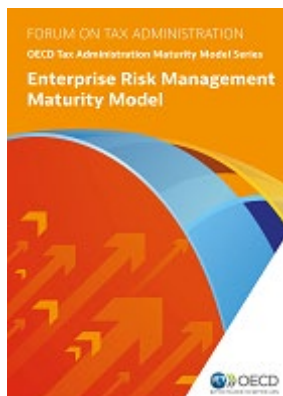
The COVID-19 pandemic constrained the ability of tax administrations to carry out some of their usual processes, with cross-border withholding tax relief procedures, frequently reliant on paper-based processes, being particularly affected. This has created challenges for taxpayers, financial institutions and tax administrations alike. This report highlights administrative measures that source and residence jurisdictions may wish to adopt to address this.

### [Behavioural Insights for Better Tax Administration: A Brief Guide](#)



Tax administrations across the globe depend on the voluntary compliance of taxpayers to raise many hundreds of billions of euros in revenue every year. The report sets out how behavioural insights can help to influence the actions of taxpayers, helping to support voluntary compliance and reduce burdens. It sets out a number of examples of the use of behavioural insights as well as practical guidance for tax administrations wishing to build capabilities in this area.

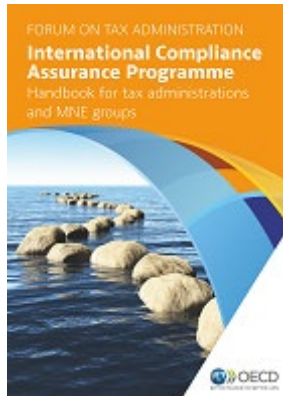
### [Enterprise Risk Management Maturity Model](#)



The ability to identify, understand and manage risks in a rapidly changing environment is a critical element of successful and resilient tax administration. The Enterprise Risk Management (ERM) Maturity Model, developed by the FTA ERM Community of Interest examines the organisational and operational aspects of risk management in a tax administration context. In addition to the model, it also contains the results of 29 tax administrations that undertook a self-assessment evaluation using the Model.



## [International Compliance Assurance Programme: Handbook for tax administrations and MNE groups](#)



The [International Compliance Assurance Programme](#) (ICAP) is a voluntary risk assessment and assurance programme to facilitate open and co-operative multilateral engagements between MNE groups willing to engage actively and transparently and the tax administrations in jurisdictions where they have activities. This handbook contains information on the process for ICAP, reflecting the experience and feedback of tax administrations and MNEs that participated in the 2018 and 2019 pilots for the programme.

## [Tax Administration: Digital Resilience in the COVID-19 Environment](#)



This note examines how digitalisation has helped tax administrations respond to the COVID-19 crisis across taxpayer services, compliance risk management, remote working, IT systems and providing support for wider government. It was produced in collaboration with the FTA Enterprise Risk Management Community of Interest and takes account of input provided by more than thirty tax administrations that completed a digital resilience survey.

## [Tax Administration: Towards Sustainable Remote Working in a Post-COVID-19 Environment](#)



The COVID-19 pandemic saw a significant shift among most tax administrations to remote working by many of their staff. This note explores some of the key issues that tax administrations may wish to consider in designing remote working policies, processes and guidance to help ensure that longer-term remote working is sustainable for both the tax administration as well as individual employees. This is brought to life through examples of actions taken or planned by Forum on Tax Administration members to support remote working.

## [Tax Administration 2021: Comparative Information on OECD and other Advanced and Emerging Economies](#)



This ninth edition of the OECD's Tax Administration Series examines tax administration performance and trends up to the end of the 2019 fiscal year, and also highlights recent innovations and good practices. It provides internationally comparative data on tax systems in 59 advanced and emerging economies. The publication presents the results of the 2020 International Survey on Revenue Administration (ISORA), a multi-organisation international survey to collect national-level information and data on tax administration governed by four partner organisations: CIAT, the IMF, IOTA and the OECD.