

FORUM ON TAX ADMINISTRATION

# Annual Report 2018-2019





## Dear FTA colleagues,

It has been one and a half years since my appointment as FTA Chair at the 11th FTA Plenary in Oslo in September 2017. This has been a busy period for tax administrations. We have seen the implementation of the Base Erosion and Profit Shifting actions and the beginning of huge numbers of exchanges of information on financial accounts under the Common Reporting Standard. All of us are also responding in various ways to the opportunities and challenges arising from the increased digitalization of the economy and the development of new technology tools. Together these changes will have profound implications for how we can better administer taxes over time and meet the expectations of taxpayers and governments.

I am both proud of all our collective achievements over this period and highly impressed by your contributions in carrying out the FTA work programme. This annual

report gives some snapshots of our recent collective work, much of which you will learn more about at the Plenary in Chile. In Oslo, I promised especially to follow up the tax certainty agenda, to ensure a continued focus on exchange of information and to exploit the world of opportunities arising from digitalisation. As FTA Chair, I aim to work actively to increase the visibility of our work and common knowledge and to ensure broad and active involvement by all FTA countries. In addition, I also strongly support the idea of developing flexible and lean processes in carrying out the FTA work program to deliver timely and relevant analyses and recommendations to FTA Commissioners and administrations. Being a member country of the FTA should add demonstrable value.

During the past year, more than 40 physical meetings have been organised, bringing together more than 1 600 tax officials. A large number of WebEx meetings have also been organised on the broad range of topics covered by the different FTA Networks. Feedback I have received so far on the expansion of these Networks through the "newcomer" Communities of Interest has been very positive. I also hope that the information posted on our SharePoint O.N.E is exploited by countries in their daily work.

Since the Oslo Plenary, we have gone from 50 to 53 FTA members. Last year both Georgia and Romania became members of FTA and in January 2019, Saudi Arabia also joined.

Together with my fellow Commissioners

in the FTA Bureau, we have set out our ambition to develop more of a Board structure, focusing our discussions on strategic issues and future directions for the Forum. Our aim has been to specifically target matters where Commissioners are facing similar issues and where the FTA, as a global body comprised of leading tax administrations, can best help to develop new approaches for better tax administration. In this regard, the Bureau has proposed a set of time-limited projects for the new work programme cycle under the themes of tax certainty, tax cooperation and digital transformation for the wider consideration of FTA Commissioners. I look forward to our discussions at the Plenary in Santiago. Mapping of FTA Commissioners' expectations and priorities within the different elements of our collective work programme is of utmost importance and will allow our work to surface new insights and to further enhance cooperation at the appropriate level of seniority and knowledge.

Hans Christian Holte



Photo: 11th FTA Plenary in Oslo September 2017



## Projects

### Sharing and gig economy (Sponsored by UK and Italy)

This report looks at approaches to help ensure the effective taxation of those earning income from the sale of goods or services in the sharing and gig economy. It considers the different ways that tax administrations can best engage with platform sellers, sharing and gig economy platforms and each other to enable more effective tax compliance.

The report is divided into four chapters. The first chapter sets out the background to the sharing and gig economy and the role of online platforms. The second chapter provides some examples of current approaches that are being taken by FTA members that participated in this

work. Chapter three sets out a range of options that tax administrations may wish to consider to help enable compliance in this sector. Finally, chapter four sets out three recommendations and considerations for possible further work: (i) joint work between tax administrations and platforms on providing information and support to platform sellers; (ii) improving the evidence base to enhance understanding of the tax at risk in relation to platforms and options for minimising those risks; and (iii) assisting in the possible development of a legislative model for standardised reporting by sharing and gig economy platforms, including between tax administrations.



### Successful tax debt management (Sponsored by Belgium and Canada)



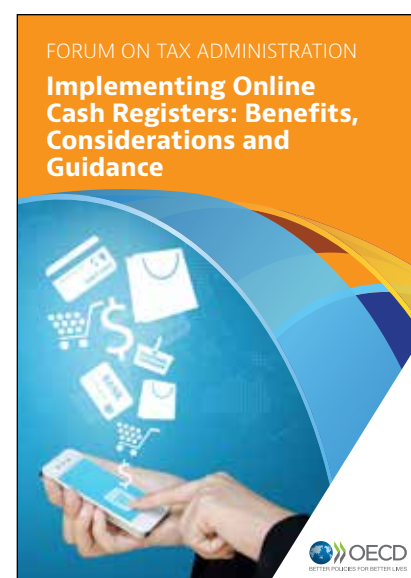
This project aims to provide further insights into the elements of a successful tax debt management strategy, supplemented by examples of recent initiatives by tax administrations. In many jurisdictions, the tax debt continues to grow. Facing this challenge, tax administrations need to seek even more innovative, coordinated, cost-effective and strategic ways to both prevent debt from arising and to collect tax debt as efficiently as possible. The report consists of three parts. Part I sets out four strategic principles that tax administrations may wish to consider when setting their strategy for tax debt management. These principles focus on the timing of interventions in the tax debt cycle, from consideration of measures to prevent tax debt arising in the first place, to early and

continuous engagement with taxpayers before enforcement measures, to effective and proportionate enforcement and realistic write-off strategies. Part II contains an overview of a new Tax Debt Management Maturity Model. The intention is that this will allow tax administrations to undertake a self-assessment to consider whether, based on their individual circumstances, they are content with their current level of maturity or whether there would be benefit from taking additional measures. Part III contains a compendium of successful tax debt management practices which have been provided by FTA member countries participating in the project.

### Online Cash Registers (Sponsored by Russia)

This project on online cash registers looked at the different ways that a number of jurisdictions have implemented such systems. It provides insights and lessons learned on the core elements of successful introduction of online cash registers, including the business case, the legal framework, stakeholder management and data protection. Cash registers provide the key source of original information on the sales of goods and services in the retail sector needed to support tax reporting, payment and verification. In their efforts to improve compliance, reduce burdens and support honest taxpayers, tax administrations have made many attempts to ensure timely and uncompromised access to this source of information.

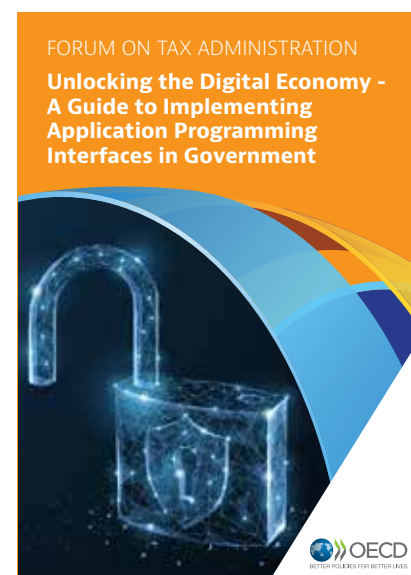
Advances in digital technology have opened up new opportunities to reduce the tax risks that were traditionally associated with the vulnerability of cash register data. For some jurisdictions, the adoption of a specific type of electronic cash register, online cash registers connected to the tax administration's systems, has been an important part of their compliance strategy. Drawing on the experiences and lessons learnt by a number of tax administrations, the goal of this report is to provide advice and guidance to tax administrations considering the adoption and implementation of online cash registers.



## Application Programming Interfaces (Sponsored by Australia)

This report provides an overview of the practices, techniques and standards used to deliver contemporary and effective digital services for taxpayers. New digital technologies are reshaping the economy, leading to the development of new products, services and business models and creating new ways for citizens and businesses to interact in their daily lives. They are also allowing tax administrations to be more data and service driven, with increasing use of proactive tools for engaging with taxpayers, greater use of third party data and increasing use of advanced analytics to better target interventions. This in turn offers opportunities to make tax a more seamless process, with easier

self-service, reductions in burdens and enhanced compliance. A key enabler of these changes is the use of Application Programming Interfaces (APIs). This is the functionality that connects systems, people and things without facilitating direct access, an invisible process that people already use every day on mobile phones and via the internet. This report, aimed at the more specialist reader within tax administrations, is intended to provide practical assistance to tax administrations, and other parts of government, which are seeking to implement or further develop their API strategy.



## Commercial off-the-shelf software (Sponsored by Finland)



Like many tax agencies, the Finnish Tax Administration (Tax Finland) built its own tax administration software from scratch. This software included around two hundred different individual software applications, all highly integrated with each other. As the whole system of applications grew larger, it became more and more expensive to maintain and slower and more difficult to change. Following detailed market research and after thorough consideration, Tax Finland decided to replace its legacy software systems with a Commercial off-the-Shelf (COTS) product. The implementation of the COTS solution for Tax Finland in all its phases took approximately ten years. The experiences and the lessons learnt during the implementation process are shared by Tax Finland in this handbook as an aid to others considering similar reforms. It covers:

- the procurement process, including the selection criteria, the drafting of the request for proposals and the contract and specialist inputs required
- the planning processes needed for a COTS transformation project, including the project scope, scheduling and resourcing, business preparation and change management
- implementation considerations including system requirements, conversion between systems, user interfaces, testing, training systems, and
- the core elements of maintenance and production support.

## Joint Audit 2019

### Enhancing tax co-operation and improving tax certainty

(Sponsored by The Netherlands)

This report focuses on the most advanced form of audit-related tax co-operation with the highest levels of integration and coordination under the heading of "Joint Audits".

It identifies both the benefits that can arise from the greater use of joint audits as well as the challenges that need to be overcome to ensure that those benefits can be realised as effectively and efficiently as possible for both tax administrations and taxpayers. Besides a summary of best

practices and guidance for the conduct of Joint Audits, the report sets out a number of recommendations and areas of future work to further improve this form of mutual assistance.



## International tax debt management (Sponsored by Spain)

This report, looks at both successful practice in international tax debt collection as well as the main challenges encountered by tax administrations. The interim report, which at present is internal to the FTA and not public, will serve as a basis for the Tax Debt Management Network to continue to explore possible solutions to these challenges, including the development of

new tools. Experience with international tax debt management seems to be very varied between countries, in particular as regards the use of mutual administrative assistance. The report explores some of the underlying issues which may be behind this, both at the domestic and international level, and suggests areas for further consideration. This is against the expectation that the

demands for such assistance may increase significantly as a result of information uncovered by the exchange of information between countries on financial accounts held abroad under the Common Reporting Standard.

## Project on the intelligent use and assurance of CRS data

(Sponsored by UK and France)

Following the first exchanges of financial account information under the Common Reporting Standard (CRS) in September 2017, a project on the intelligent use and assurance of CRS data sought to address some of the challenges and opportunities that these exchanges represent for tax administrations. The project has produced two notes, both of which are available from the Secretariat. The first note focussed

in data quality and outlined some of the challenges experienced in exchanging data for the first time, as well as common issues around data quality, and suggested ways to address these issues. The second note explored data matching, and looked at the techniques and processes employed by tax administrations in matching CRS data to their taxpayer register. A workshop was held in Paris in December 2018 to discuss

the findings of these notes, share the ways that administrations have begun to use the data, and identify possible wider uses of the data. The Toolkit for Effective Use of AEOI Data has been updated to reflect the experiences of administrations since CRS exchanges began. The Toolkit is an internal document for the use of tax administrations.

## Registration, matching and authentication

(Sponsored by Chile and UK)

This internal report looks at FTA member administrations' experience in each of the areas of taxpayer registration, authentication and matching (or taxpayer identification). The report sets out the varying systems and procedures in place in administrations, including the legal context that underpin their approaches,

as well as the methods they employ and the technology they use. As governments move increasingly to digital systems and platforms as the primary delivery channel for tax administration functions, effective registration, matching and authentication is becoming increasingly important in delivering taxpayer services. The report

explores the challenges and opportunities presented by each of these functions in light of the changing ways in which taxpayers interact with tax administrations, and with wider government.

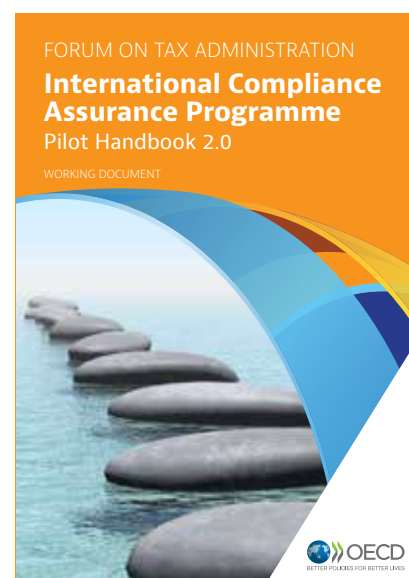
## International Compliance Assurance Programme (ICAP)

(Sponsored by Canada and the US)

The International Compliance Assurance Programme (ICAP) is a voluntary risk assessment and assurance programme, organised within the framework of the LBIP to facilitate open and co-operative multilateral engagements between MNE groups willing to engage actively and transparently and tax administrations in jurisdictions where they have activities. By co-ordinating conversations between an MNE and multiple tax administrations, ICAP supports the effective use of transfer pricing documentation, including the MNE's country-by-country report, providing a faster, clearer and more efficient route to improved multilateral tax certainty. Looking forward, ICAP should reduce the resource burden

on both MNEs and tax administrations and mean fewer disputes requiring resolution through mutual agreement proceedings.

The first ICAP pilot was launched in January 2018 and involved eight tax administrations (Australia, Canada, Italy, Japan, the Netherlands, Spain, the UK and the US). The first risk assessments under this pilot have now been completed and extensive work has been undertaken to review and revise the ICAP approach, reflecting feedback received from participating tax administrations and MNEs. A second pilot (ICAP 2.0) including a larger number of tax administrations was launched at the FTA Plenary in March 2019.



## Comparative Risk Assessment Initiative (CoRA)

(Sponsored by Canada and the US)

Across the world, tax administrations are faced with the same international tax risks posed by MNE groups, but often differ in their understanding of how these risks may arise, and the most efficient and effective ways to detect them using available data. Through the development of a compendium of countries' approaches to risk assessment and a risk register, the CoRA initiative aims to enhance mutual understanding of key risks and approaches; our understanding of business transactions; and overtime;

examine where international convergence around views and interpretation can be achieved. This work considers the key common tax risks presented by MNEs from the perspectives of different tax administrations: how these are defined; the transactions that may give rise to risk; important indicators that risk is likely to be present/may be present/is unlikely to be present; and the sources of data that may be used to find these indicators. A better understanding of how risk is perceived

and detected more widely will support tax administrations in making improvements to their domestic risk assessment processes and this will become even more important as tax administrations increasingly use common data sources in risk assessment and work more closely together through co-ordinated or multilateral actions.

## Enduring Programmes and Communities of Interest

### JITSIC

*The Joint International Taskforce on Shared Intelligence and Collaboration (JITSIC) facilitates and operationalises the sharing of intelligence amongst its 40 FTA member administrations, enabling them to work together to tackle operational risks in tax administration.*

In 2018, FTA members used JITSIC to facilitate over 1400 exchanges of information and ideas, as well as undertaking multilateral action which delivered tangible, practical benefits. These included:

- The work of the Paradise Papers Initial Assessment group which enhanced, supplemented and consolidated leaked data. The resulting information shared

was new to most JITSIC members. It has already been used by a majority of JITSIC members in their compliance activities, with nearly half of them already using the data to make contact with taxpayers, including to instigate criminal action.

- High Net Wealth Individuals (HNWI) projects have helped administrators to better understand the methods that HNWI use to avoid their tax obligations through both structuring and contrived residency. In the Residency project there have also been 425 spontaneous exchanges identifying applicable taxpayers and enabling appropriate action to be taken.

- An Intellectual Property (IP) Planning toolkit will be able to be used by tax administrators to better identify, understand and address IP risks in their jurisdictions.

In addition to this work, JITSIC commenced work on developing guides of best practice for EOI and on facilitating member discussions relating to country-by-country reports.

In a recent survey, all JITSIC members agreed that JITSIC was beneficial for them in 2018. JITSIC looks forward to building on this in 2019 to continue to benefit its members and to support the broader work of the FTA.

### JITSIC in 2018



#### SOUTH KOREA

*Thanks to the JITSIC Network, the NTS was able to engage in international effects to analyse leaked data and as a result enhance its understanding of typologies of offshore tax evasion using paper companies and intermediaries.*



**40**  
members



#### RUSSIA

*We've got some useful responses from our JITSIC partners on our EOI requests and use the JITSIC project reports in everyday practice.*



**1400+**  
network  
interactions



#### JAPAN

*The JITSIC CA session is a unique and valuable forum where countries exchange information on tax avoidance schemes and at the same time discuss measures to tackle them.*

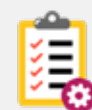


**100%**  
members report  
network is beneficial



#### NORWAY

*What we find interesting with JITSIC is it is a forum where you can discuss practical issues with experts from member jurisdictions which deliver more value to our compliance activities.*



**11**  
projects  
since 2017



## The Tax Debt Management Network

The Tax Debt Management Network aims to facilitate the sharing of successful practice and collective work to improve the tax debt collection process. In 2018, the network focused on strengthening domestic tax debt collection as well as on promoting international cooperation in cross-border debt collection. An FTA Tax Debt Collection Workshop was held in Madrid in October 2018, bringing together more than 50 officials from 28 FTA jurisdictions. The Network also hosts regular conference calls throughout the year, updating members on new developments through presentations and discussions.

The Network supported two projects in 2018/19 which were undertaken by the wider FTA. The first was aimed at strengthening the tax debt management process, building on the FTA's 2014 publication "Working Smarter in Tax Debt Management". The new report sets out a set of principles of successful tax debt management strategy, and supplements these by providing examples of recent good practice. In addition, a maturity model on tax debt management is also introduced in the report. This maturity model has been developed and tested with the assistance of the Network, also taking into account

the learning from the pilot of Peer-to-Peer Advice between FTA members in the area of tax debt management.

The second project supported by the network focused on how tax administrations can better assist each other in recovery of international tax debt. This project looks at both successful practice in international tax debt collection as well as the main challenges encountered by tax administrations. The interim report will serve as a basis for the Network to continue to explore possible solutions to these challenges, including the development of new tools.

## Capacity Building Network

*The 2016 FTA report "Tax Administration and Capacity Building – A Collective Challenge" emphasized the critical role of the FTA in helping developing countries to strengthen their tax capacity, supporting G20 priorities and the achievement of the Sustainable Development Goals.*

The report highlighted a number of challenges for tax administrations and led to the launch of the FTA Capacity Building Network (CBN). The purpose of the CBN is to help FTA members frame their capacity building contributions in a more coordinated, cost-effective and strategic way, recognizing that we all stand to benefit from strong global tax administration. CBN priorities include:

- The development of a Capacity Building Framework (Framework) to help inform FTA Commissioners' investment decisions;

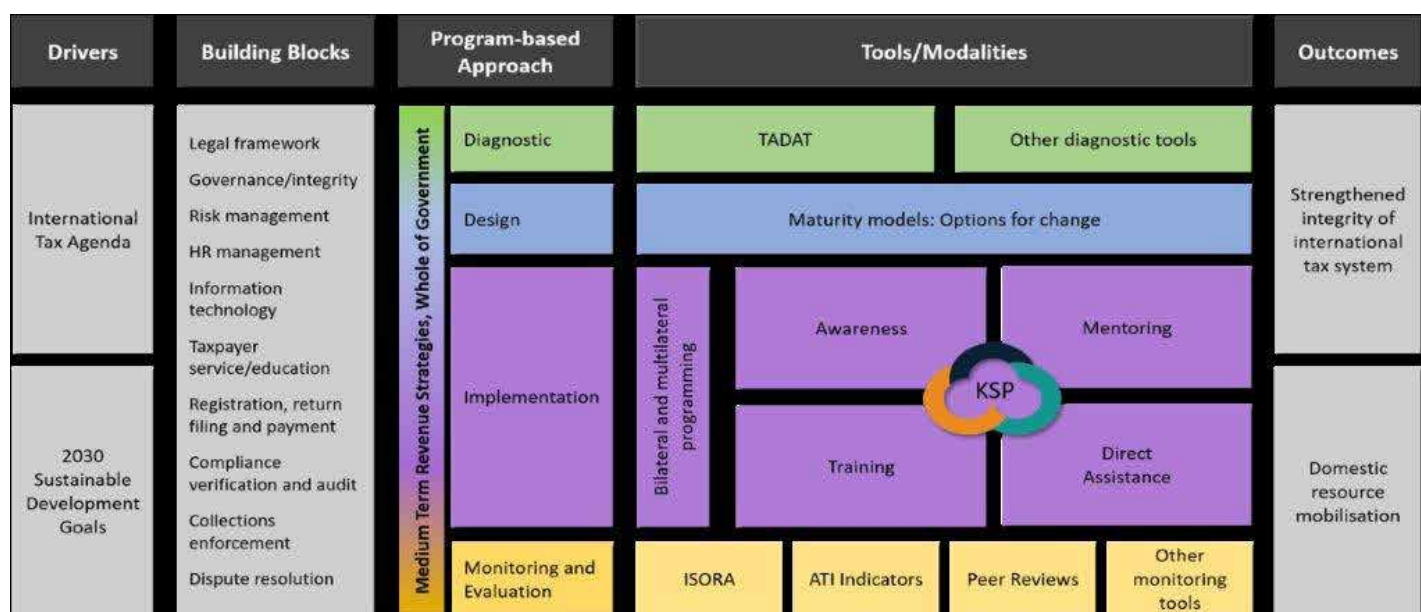
- Identifying and supporting efforts that enhance coordination and collaboration between FTA members and with others; and
- Supporting the development of the Knowledge Sharing Platform (KSP) as a means to broaden the sharing and dissemination of FTA members' efforts and expertise.

In February 2019, the CBN agreed to the Framework - supported by common tools such as a decision matrix and catalogue of activities - as its primary worktool. Members also agreed to continue to seek opportunities for greater collaboration and coordination and to focus efforts in areas where the FTA has a clear comparative advantage, namely the provision of experts and expertise, and where contributions will deliver best value. This includes broadening the reach of FTA products.

Monetary Fund, the World Bank Group and the Addis Tax Initiative secretariat, as well as from regional tax organizations, including IOTA, CREDAF, CATA, SGATAR and other mechanisms such as BRICS, attended the meeting and agreed to explore further collaboration at a practical level. This includes leveraging our respective catalogue of activities to better coordinate efforts; contributing to the development of maturity models, capacity building indicators and a report on the use of technology in tax administrations; and the creation of a new CBN sub-group to examine e-learning options with the aim of increasing the amount and reach of content, including by further leveraging the Knowledge Sharing Platform to support this work.

In 2019, beyond the activities mentioned above and in light of the critical relevance of coordination, the CBN will also work jointly with the development community to produce a guide on whole of government approach to tax and development.

Representatives from the International



The FTA's Tax Administration Capacity Building Framework acts as a practical guide for the FTA and its members to orientate themselves in different tools and methods to be used for Capacity building work

## Large Business International programme

The Large Business and International Programme (LBIP) of the FTA brings countries together to develop frameworks, information and other tools to improve individual and collective capacity to manage international tax risks and compliance more broadly. These efforts continue to provide tools that will reduce burdens, enhance efficiency, and increase tax certainty for both tax administrations and taxpayers.

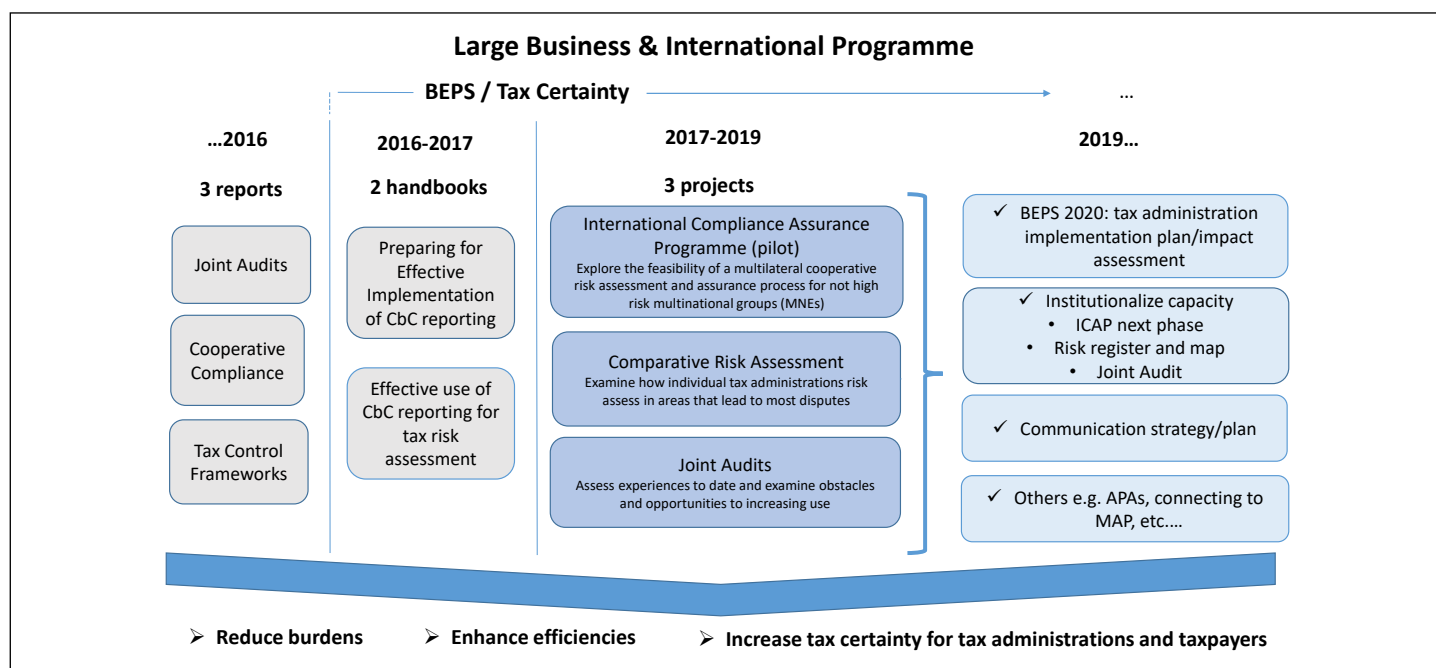
In 2018/19, building on its earlier work and capitalizing on a new suite of tools that resulted from the BEPS Action Plan, the FTA LBIP continued to ramp up capacity by providing the umbrella under which three complementary projects were carried forward focusing on tax risk assessment and assurance. These were the International Compliance Assurance Programme (ICAP) pilot, the Comparative

Risk Assessment Initiative and an in-depth review of Joint Audits. These coordinated efforts are also contributing to the G20/OECD Tax Certainty agenda.

In January 2019, members of the LBIP took stock of the three projects and assessed the way forward at a meeting held at the OECD in Paris. Participants agreed that the work of the LBIP over the past year is on the right path and represents an important change in posture for tax administrations not only in relation to increased international collaboration but also as regards the expected impacts on domestic strategies. As FTA members increase their participation in this operational collaborative work, other areas were noted as requiring attention. These include Advanced Pricing Agreements and establishing clear links between early interventions and better

outcomes in the MAP process, including possible reductions in MAP cases over time. Communication was also acknowledged as a critical component of a strategic way forward, noting that different stakeholders will have diverse interests in the outcomes of FTA LBIP work.

In 2019, the LBIP will continue its efforts to increase and institutionalize multilateral operational capacity and work on the development of a broader communication strategy. This will include work intended to complement currently planned assessments of the BEPS actions, noting that tax administrations are in the very early days of implementation and that a clear articulation of longer term expectations is needed.



## MAP

The MAP Forum fosters collaboration among competent authorities on identifying and overcoming obstacles to resolving treaty-related disputes under MAP in a timely and effective manner. Since 2016, the MAP Forum has been administering programmes mandated by the minimum standard of BEPS Action 14 (Improving Dispute Resolution). That work, together with other initiatives outside Action 14, fell into four categories in 2018/19:

### Action 14 Peer Review Program

The MAP Forum reviewed countries' adherence to the elements of the Action 14 minimum standard, such as the requirement that competent authority offices have adequate staffing levels and that they be empowered to implement MAP agreements. Three batches of reviews, covering 24

countries, were completed in 2018. Reports on 37 countries have now been published in total.

### Statistics Reporting Framework

Action 14 commits countries to endeavoring to resolve MAP cases within an average timeframe of 24 months. Since 2017, the MAP Forum has compiled and published statistics showing countries' success in reaching this goal. In 2018, these statistics were published for the first time in a jurisdiction-by-jurisdiction format, promoting transparency and thereby incentivizing jurisdictions to improve their MAP relationships.

### MAP Training

The MAP Forum worked closely with the Secretariat to develop and deliver robust

training on fundamental MAP concepts and best practices for MAP case resolutions. Training was delivered in 2018 in Ankara, Turkey, and Budapest, Hungary. Additional programmes will be delivered in 2019. The MAP Forum also produced Global Awareness Training Modules that tax administrations can use to instruct field auditors on MAP principles and processes.

### Other Initiatives

The MAP Forum also encouraged countries to propose innovative ideas for resolving and preventing MAP cases, such as improving coordination in multilateral MAP cases and developing generalized frameworks for resolving large volumes of MAP cases or recurring types of MAP disputes.



## Analytics Community of Interest

The Analytics Community of Interest (Col) was formed at the FTA Plenary in Oslo in 2017, with the aim of building on a previous FTA work stream on Advanced Analytics. Where that work stream had focused mainly on highlighting the value of analytics in tax administration, the new Col focuses more on the mechanics of running an effective analytics function, bringing together specialists in the area to share experience and best practice.

The Col has 92 members from 32 different administrations. In 2018 the Col focused on two main areas: firstly, assembling and publishing a directory of analytics projects in different administrations; secondly, developing a maturity model assessment framework for analytics functions.

The directory of projects was completed in October 2018 and has been published on the Analytics Col O.N.E. website. It is intended to broaden Col members' awareness of the range of possible analytics applications in tax administrations, and to highlight the challenges likely to be faced in different types of project. The directory provides details of 99 analytics projects run in 16 different administrations. Each entry outlines the project objectives, the analytical approach taken, the data used, the results, and a brief summary of lessons learned. The directory also includes contact details for each project owner, to facilitate collaboration and sharing of information by administrations working in similar areas.

The Col has also developed an analytics maturity model assessment framework which is intended to help administrations understand where their analytics function sits relative to others on a range of key dimensions and to help identify areas of strength and weakness. The maturity model also outlines best practices in a wide range of areas, and as such can act as a roadmap for administrations looking to develop their analytical capabilities. The draft model was reviewed positively by Col members at a recent workshop in Dublin, and will be made available for use later in 2019.

## HR Community of Interest

At the FTA 11th Plenary in Oslo in September 2017 Commissioners were asked to identify their top three concerns. Challenges linked to HR and the workforce of tax administrations were identified as a priority by all Commissioners, with on average approximately 70% of tax administrations' operational budget being spent on staff salaries. In particular, issues relating to the capabilities and competencies that will be required of staff in the future, and the changing nature of work as a result of the implementation of digital solutions, were considered high priority.

It was therefore decided to organise a workshop, entitled "Transformational

Change – The HR Perspective", to explore these issues in more depth and to consider the possibility of establishing a new Community of Interest (COI) on the topic. In a first for the FTA, 48 Senior HR practitioners from 30 countries spent two days together in Paris in early May 2018 engaged in presentations, plenary and group discussions on topics including like the impact of digital changes on the traditional workplace, capability development, and HR's role in strategy and change management. Following the workshop, a summary record outlining the valuable discussions was prepared and distributed to the wider FTA.

The FTA HR COI was established as a result

of feedback received from the Workshop. In 2018 the COI's workplan has focused on "The Future of Work" and how tax administrations will be impacted by drivers such as new technology and increased digitalisation, and the implications of these changes for their staff. Summary notes have been produced related to the chosen topics and three Webex meetings have been held. The community is supported by a O.N.E website hosting presentations and documents. The site also serves as a platform for discussion and interaction between community members. Following the FTA Plenary in Santiago, a new work plan will be developed for 2019/2020.

## Risk Community of Interest

At the September 2017 Forum on Tax Administration (FTA) Plenary in Oslo a proposal was made during the session on "What Keeps Commissioners Awake at Night," to establish a more regular mechanism for FTA members to discuss the top risks facing tax administrations around the world. This led to the creation

of the Risk Community of Interest (COI) and the inaugural meeting was a Risk Workshop titled "Global Approaches to Identify and Managing Top Risks to Task Administrations" held in Paris in January 2018. A steering committee led by the United States and comprised of Australia, Canada, Norway, and United Kingdom organized the workshop

which brought together, for the first time, senior risk management officers from 30 FTA member countries.

Since the January 2018 workshop, the Risk COI held four virtual meetings.

APRIL 2018	Canada Revenue Agency	Approach to Enterprise Risk Management
JUNE 2018	Danish Tax Administration	Evolution of Enterprise Risk Management + Lessons Learned
SEPTEMBER 2018	Her Majesty's Revenue & Customs	Gaining Organizational Buy-in + Support for Enterprise Risk Management
NOVEMBER 2018	Federal Tax Service of Russia	New Model for Assessing Tax Compliance Risk

In early 2019 a virtual meeting was hosted by the New Zealand Inland Revenue and Canada Revenue Agency to discuss the intersection of internal audit/assurance and Enterprise Risk Management (ERM), looking at possibilities to enrich and deepen

the operation of the COI. As second face-to-face Risk Workshop will be held in April 2019 in Paris. This workshop will look at internal controls and ERM, capability models for ERM, risk identification and mitigation methods and approaches as well

as key risk indicators and lessons learned from risk events. It will also consider the possible development of a common FTA maturity model for the identification and management of ERM.



## Digital Transformation Community of Interest

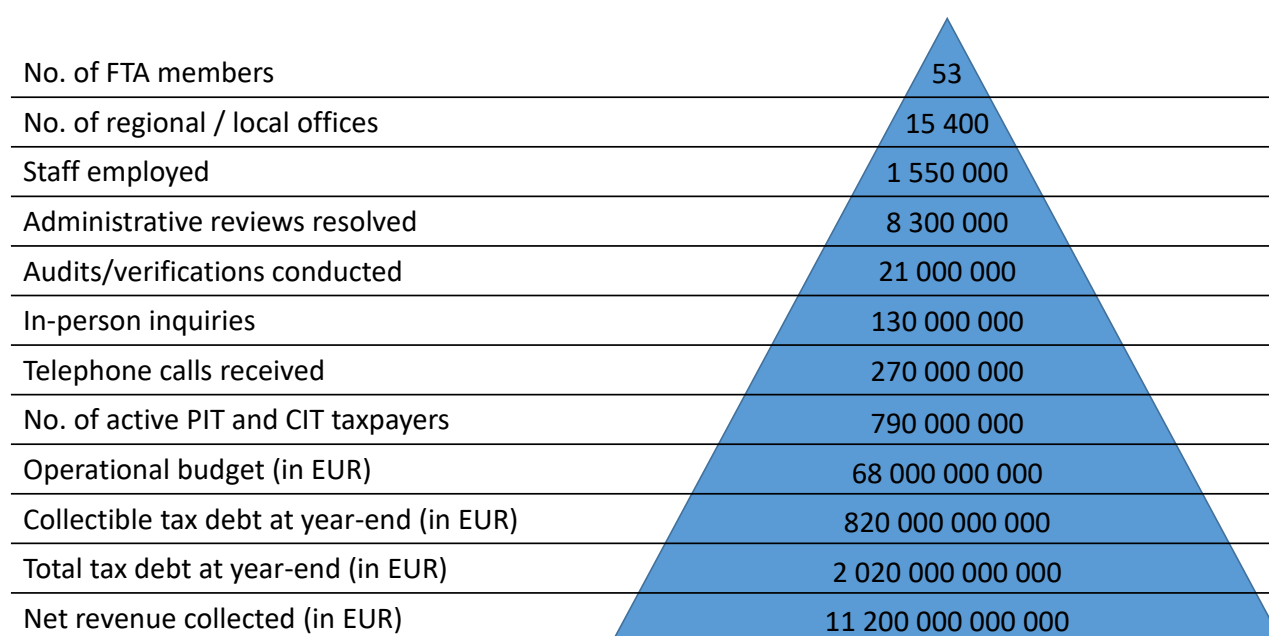
The Digital Transformation COI was established at the Oslo Plenary in 2017. The goal of this COI is to shape a common vision for the digital future of tax administrations as well as to identify the core building blocks that will transform tax administrations into digitally mature agencies. The ongoing digital revolution is fundamentally transforming our economies and societies, disrupting markets and value creation chains as well as changing the ways in which people and businesses interact with each other and with their governments. To stay effective tax administrations need to engage in digital transformation and change themselves to

ensure the best use of the opportunities offered by these changes.

This COI is led by Mikhail Mishustin, Commissioner of the FTS of Russia and chaired by Alexey Overchuk, Deputy Commissioner. The work is carried forward with the assistance of the Advisory Group, consisting of Australia, Denmark, New Zealand, Norway, Singapore and the UK. In 2018/19 the work of the COI was centered around scoping its future work and selecting priority areas for research, based on proposals from the COI Advisory Group meeting in Moscow.

The inaugural Webex meeting of the COI was held in November 2018 and was attended by 16 tax administrations. Their input helped identify priority themes for further work, including digital identity, data quality, data access and digital maturity. A series of Webex calls has been planned with active engagement expected from all participant countries. This began in January 2019 with a discussion of the narrative of digital transformation and its core building blocks. The COI also features a dedicated OECD O.N.E. webpage which provides participants with access to relevant materials as well as capabilities for discussion fora.

## Facts and figures



The figures are based on data obtained through the 2016 and 2018 International Survey on Revenue Administration (ISORA). They are minimum figures as not all administrations were able to provide information for all data points. Figures typically relate to fiscal year 2017. Data for fiscal years 2015 and 2016 was used where 2017 data was not available.



**FTA annual report**

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