

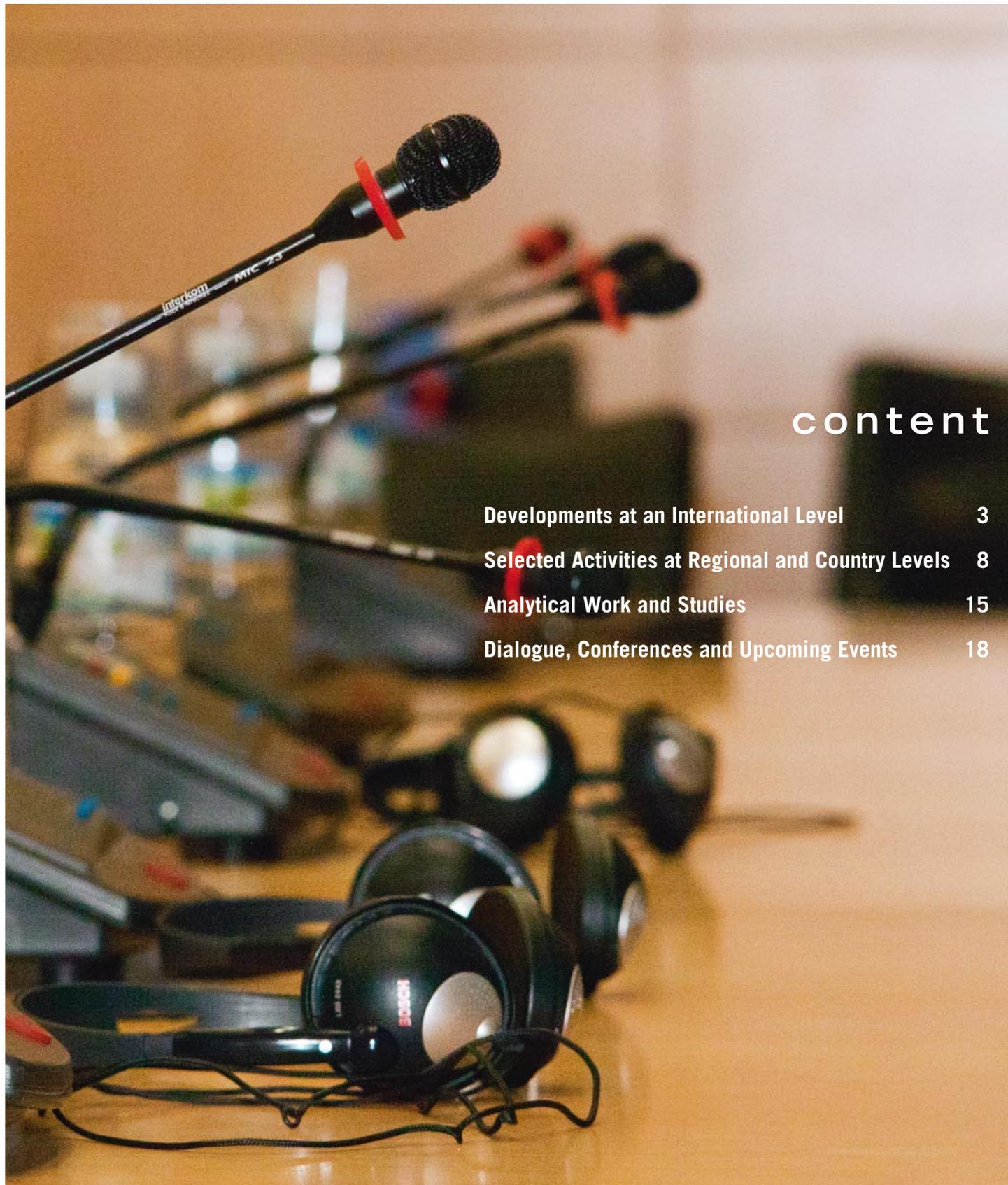
# news and developments

in the field of tax and development since december 2011



international tax compact

June 2012



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Dear Reader,

Following up on the last ITC newsletter published in December 2011, the purpose of this issue is to offer a concise overview of the key activities, projects and events planned and realised in the field of taxation and development since the end of last year. The perspectives and opinions expressed in this newsletter are entirely those of the contributing institutions. They do not necessarily express the views of the International Tax Compact and its partners.

For further information on the ITC newsletter, or if you or your organisation wish to contribute an article to the next issue of the ITC newsletter please contact Sebastian Lechle ([sebastian.lechle@giz.de](mailto:sebastian.lechle@giz.de)).

Best wishes,

ITC Secretariat

International Tax Compact (ITC)  
Secretariat at GIZ Office Bonn  
Godesberger Allee 119  
53175 Bonn, Germany

E [secretariat@taxcompact.net](mailto:secretariat@taxcompact.net)  
I [www.taxcompact.net](http://www.taxcompact.net)

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# Developments at an International Level

## Tripartite initiative on transfer pricing

The European Commission's Communication on 'Tax and Development', which was adopted in April 2010, highlighted the need to support the capacity of developing countries to mobilise domestic revenues for development. In this regard, particular emphasis was placed on transfer pricing.

The consequences of reinforcing capacities in this area will include: a) a reduction in the likelihood of taxation avoidance and evasion; b) an improvement in business certainty, and therefore investment climate; c) a reduction in the opportunities for corruption and other malpractices. As a first step the European Commission carried out a study on 'Transfer Pricing and Development Countries' in close cooperation with international organisations. Moreover, the International Tax Compact organised reference group workshops to ensure a well balanced report on shared transfer pricing knowledge for the international community.

Further to the study, the Commission entered into a Tripartite Initiative with the World Bank and OECD, strengthening and coordinating international cooperation

on Transfer Pricing efforts in a number of pilot countries, in order to enhance the capacity of partner countries to adopt, and effectively implement, transfer pricing rules in accordance with the arm's length principle. The objectives of this initiative are closely aligned with those of existing work carried out by the EC, OECD, World Bank and other interested organisations in this area.

Most of the countries forming part of the Commission's study are among the pilot countries in the Tripartite Initiative. Other countries in Africa, Asia and Latin America are also being considered.

In Ghana, for example, a core group from the Ghanaian government has been set up, training on the legal framework has been held and further training on the enforcement is programmed. This was done with the joint support of the Tripartite Initiative as well as the German Development Cooperation and the Swiss State Secretariat for Economic Affairs (SECO). Similar efforts are under consideration in Vietnam, Honduras and possibly Kenya.

For further information, please contact Francisco Bataller-Martin ([francisco.bataller-martin@ec.europa.eu](mailto:francisco.bataller-martin@ec.europa.eu)).



## **ECLAC, CIAT, the ITC and the World Bank Group jointly host seminar on 'Tax and Development: Broadening the Tax Base', Santiago de Chile, 27 April 2012**

On Friday, April 27, the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), the Inter-American Center of Tax Administrations (CIAT for its abbreviation in Spanish), the International Tax Compact (ITC) and The World Bank Group joined forces and co-hosted a seminar titled 'Tax and development: broadening the tax base'. The event brought together high-level tax administrators and government representatives from 32 countries and was attended by observers from Africa, Asia and Europe. The seminar was held at the ECLAC headquarters in Santiago, Chile.

In her opening speech, Alicia Barcena, UN Executive Secretary of ECLAC emphasised the importance of fiscal policy and tax administrations – especially in the Latin American region – for broadening the tax base and striking the right balance between social equity and economic growth. At the moment, 'many Latin American countries levy few taxes and they do it badly', the Executive Secretary stated.

Dealing with key issues for fiscal policy and tax administrations for broadening the tax base in the region, the seminar focused on improving tax compliance

through the use of third party information and the improvement of IT-based information systems. Particular attention was paid to the challenges of SME taxation in Latin and Central America, as the growing informal sector is considered to be a central problem among the countries in the region. Concluding the seminar and discussing next steps, participants exchanged their experiences regarding how donor coordination in the field of taxation and development can be improved in order to better support ongoing reform efforts in the region. Against this background, the co-host agreed to continue their cooperation.

This seminar followed on from and complemented the CIAT General Assembly which was recently held in Santiago de Chile.

For further information, please contact Sebastian Lechle ([sebastian.lechle@giz.de](mailto:sebastian.lechle@giz.de)).



## CIAT successfully completes its 46th General Assembly

The 46th CIAT General Assembly on the theme of: 'Improving the performance of the tax administration: evasion control and taxpayer assistance', sponsored by the Internal Revenue Service (SII for its abbreviation in Spanish) of Chile, was held in Santiago de Chile from 23–26 April 2012. Present at the event were 35 delegations from member and associate member countries, 8 delegations from guest countries and 26 delegations from international organisations and institutions related to CIAT.

For three days participants discussed and exchanged their experience regarding (a) the use of information and communication technologies for improving performance and facilitating compliance, (b) taxpayer satisfaction with the quality of service provided by the tax administration and (c) the measurement of VAT and individual and corporate tax evasion. As a result of the discussion, the General Assembly, formed by the tax administrations of the CIAT member countries, recommended committing more efforts to improving taxpayer assistance services, as well as to the design, implementation and/or evaluation of effective control strategies. Furthermore, the General Assembly emphasised that those strategies need to both determine the levels of income tax evasion, and combat the activities and individuals that affect government collection in a resolute and targeted manner.

Detailed information on the technical programme, technical profile and documents are available on the CIAT web page at:

<http://www.ciat.org/index.php/en/international-cooperation/international-activities/general-assemblies/1802.html>.

For further information please contact [asamblea\\_ciat@sii.cl](mailto:asamblea_ciat@sii.cl).

## UN updates its 'Model Double Taxation Convention' between developed and developing countries and is finalising its practical 'Transfer Pricing Manual for Developing Countries'

## UN programme of capacity development in tax matters

The 2011 update of the UN Model Convention, authored by the UN Committee of Experts on International Cooperation in Tax Matters, which replaces the 2001 version of the Convention, was officially launched at the special event of the UN Economic and Social Council (UN-ECOSOC), held on 15 March 2012 in New York. The updated Model Convention aims to provide assistance to developing countries in their negotiation of modern bilateral double-tax treaties with developed countries. The main objective of this revision has been to take account of developments in the area of international tax policies in the last decade. The publication is available electronically at <http://www.un.org/esa/ffd/> and will be issued in print shortly.

Furthermore, the UN Committee of Experts on International Cooperation in Tax Matters is now finalising the UN Practical Manual on Transfer Pricing for Developing Countries, which is scheduled to be adopted by the Committee at its next annual session (Geneva, 15–19 October 2012). Most of the key chapters of the manual are now effectively complete or close to completion, including chapters on: Business Framework, Dispute Settlements, General Legal Environment, Establishing Transfer Pricing Capability, Documentation, and Audits and Risk Assessment. The Manual is now being edited and finalised with the support of the European Commission.

For further information please contact Michael Lennard ([lennard@un.org](mailto:lennard@un.org)).

The Financing for Development Office of the UN-Department for Economic and Social Affairs (FfDO-DESA) is currently developing training tools for its recently initiated capacity development programme in tax matters. The first set of tools is related to the updated UN Model Convention, to be followed by materials related to practical issues which may arise in the context of the interpretation and application, as well as negotiation of tax treaties. Training events are expected to be organised starting in early 2013.

FfDO-DESA stands ready to cooperate with all interested partners, in every possible way that is consistent with the UN mandate. In particular, resources are sought for the Trust Fund on International Cooperation in Tax Matters to support activities related to capacity development. Partners are also sought for co-organising training events.

FfDO-DESA is now accepting expressions of interest in the aforementioned training events from representatives of Ministries of Finance and/or National Tax Authorities of developing countries.

For more information please contact Dominika Halka ([halka@un.org](mailto:halka@un.org)).

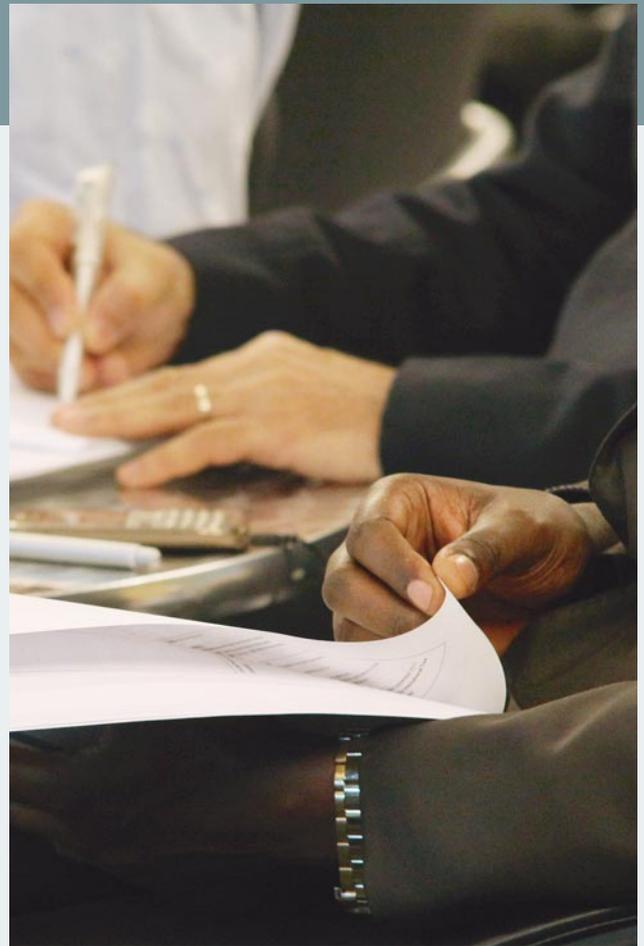
## Global Forum supports developing countries in their drive to enjoy improved tax transparency

Following the launch in November 2011 of two technical assistance pilot projects in Ghana and Kenya (as reported in the last ITC newsletter), the Global Forum on Transparency and Exchange of Information for Tax Purposes has continued to develop new opportunities to assist developing countries so that they can benefit from its work.

In January 2012, heeding the G20 call to enhance coordination on technical assistance activities, the Global Forum hosted a meeting of 17 international organisations and development agencies.

A proposal for a Coordination Platform was outlined, as a secure website where the Forum's partner organisations, working on projects related to tax transparency and information exchange, could be kept up to date with specific requests for technical assistance from Global Forum members as well as upcoming training seminars.

With the Global Forum's partners indicating considerable interest in the initiative, the Coordination Platform was launched in February 2012. Looking ahead, the Platform will be a useful tool to build on the existing informal relationship between the Global Forum and organisations working in the field. It also provides a secure site where partners can access Global Forum materials, and would be beneficial as partner agencies consider how to integrate the tax transparency and information exchange standards into their existing or new programmes, which may have a broader tax or public finance focus.



The Global Forum also continues to expand its work to assist the African region so that they can benefit from the improved international environment on tax transparency. In April, the Forum Secretariat attended a meeting organised by the African Tax Administration Forum to share its expertise and experience gained through the peer review process and related technical assistance work.

Arrangements are also underway for an ITC-supported training seminar to be hosted in July by Ghana. The seminar will target participants from western and northern African countries, who have indicated significant interest in receiving training concerning implementation of the international standard on tax information exchange, and also preparations for the Global Forum peer review process.

For further information on the Global Forum please contact Monica Bhatia ([gftaxcooperation@oecd.org](mailto:gftaxcooperation@oecd.org)).

# Selected Activities at Regional and Country Levels

## Latin America is working towards unified micro-simulation models for all countries in the region

Since 2010, CIAT has been promoting the use of micro-simulation techniques within the research units of tax administrations. It is broadly accepted that this type of quantitative simulation technique provides better recommendations to policy makers. They are therefore being increasingly used with regard to policy evaluations or the preparation of tax reforms.

Further ahead in this field, the tasks of reviewing and validating the 'Micro-simulation Model for Corporate Income Tax' developed by the Centre for Fiscal Studies (CEF for its abbreviation in Spanish) of the Internal Revenue Service (IRS) in Ecuador were recently completed. This work was supported by the inter-institutional cooperation agreement between the Institute for Fiscal Studies (IEF for its abbreviation in Spanish) of the Ministry of Finance and Public Administration of Spain and CIAT. The technical assistance provided concentrated on the treatment and cleansing (consistency) of data from the tax returns and on transverse and longitudinal sampling techniques.

The tool's source code is written entirely in STATA but it presents the results and graphics in simple Excel spreadsheets. Moreover, it performs descriptive statistical analysis of the data, explores patterns of behaviour, makes deterministic and stochastic simulations and allows distributional impact and structural analysis of possible tax reforms.

Through The CIAT Research Units Network, the micro-simulator is available to all member countries interested in adapting the referred model to their tax reality.

For technical assistance please contact Miguel Pecho ([mpecho@ciat.org](mailto:mpecho@ciat.org)).



## 'Regional Conference on Improving Compliance Management of the Large Taxpayer Segment', Belgrade, 29–30 March 2012



On the initiative of the Serbian Tax Administration, a 'Regional Conference on Improving Compliance Management of the Large Taxpayer Segment' was organised in Belgrade with the support of the German Development Cooperation, the International Monetary Fund (IMF) and the International Finance Corporation (IFC). Attendees from the tax administrations of Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, the Republic of Srpska, and Serbia and international experts discussed approaches and best practices with regard to the functional organisation of tax administrations for dealing with large taxpayers, strategic management, risk assessment, transfer pricing, and related issues.

The conference promoted regional dialogue especially between Large Taxpayer Offices (LTO) and audit departments of the region. The participants agreed that challenges and approaches in this area were comparable across the region. For this reason, surprise was expressed at the international differences in dealing with large taxpayers. However, comparing the examples of Germany and the Netherlands, international experts pointed out

that similar results in tax collection can be reached by different organisational structures: Germany has no explicit organisational LTO-unit, whereas the Netherlands does. Among the challenges for the tax administrations – and especially LTOs – in the region, transfer pricing issues are of utmost importance. Participants pointed out the crucial bottlenecks in both human and IT capacities to cope properly with large taxpayers.

It was also emphasised that the key for successfully dealing with those taxpayers is an in-depth understanding of the industry the companies are operating in.

All in all, the representatives of the tax administrations of the region agreed that a permanent regional dialogue and information exchange would foster South-South learning. This in return would lead to intensified cooperation in the prevention of tax fraud and tax evasion in the region in the future.

For further information please contact Birger Nerré ([birger.nerre@giz.de](mailto:birger.nerre@giz.de)).

## West Africa Tax Forum, 2–4 May 2012, Accra, Ghana

Under the auspices of the Ghanaian Ministry of Finance and Economic Planning (MOFEP), the West Africa Tax Forum 2012 was held from 2 to 4 May 2012 in Accra, Ghana. The forum was hosted by the Ghana Revenue Authority (GRA) and realised in cooperation with the German Development Cooperation's Good Financial Governance Programme, the African Tax Institute (ATI), the International Tax and Investment Centre (ITIC) and the African Tax Administration Forum (ATAF). Over 120 participants, representing 20 African countries, attended the event.

The key conference topics included: principles of taxation, natural resource taxation, corporate taxation, evaluation of excise in the Economic Community of West African States (ECOWAS) and the Economic and Monetary Community of Central Africa (CEMAC), evaluation of excise tax and tariff systems, tax coordination, and the illicit trade in tobacco.

A common problem identified in various discussions related to the distortion of the original principles of VAT – witnessed in the diverse application of VAT in different jurisdictions and the critical issue of managing VAT refunds.

With ECOWAS calling for more involvement in the future, the spotlight turned to the role of ECOWAS in the forum. Finally, the private sector requested closer involvement in future tax policy formulation through more dialogue.

Closing the conference, the co-hosts agreed that ITIC would refine the resolutions by incorporating delegates'



comments on diverse tax issues, before circulating the workshop's recommendations to all participants and relevant stakeholders.

For further information please contact Christian Schütz ([christian.schuetz@giz.de](mailto:christian.schuetz@giz.de)).

## Latin America and the Caribbean will strengthen the control of international operations and large enterprises

CIAT, the German Development Cooperation and other international and regional institutions have started to work on a database to support the control of international operations and large enterprises.

The project is following up on the regional exchange seminar on 'Taxation of Large Enterprises: Transfer Pricing' which took place in Lima from 21 to 23 November 2011 and was jointly organised by CIAT, OECD, the German Development Cooperation and SUNAT – the Superintendency of Tax Administration of Peru.

The objective of this project is to create a database with practically relevant information for tax administrations which both facilitates the control of international operations and large enterprises and enhances international cooperation as well as the exchange of experience. Information is planned to be gathered on comparable cases, relevant studies on the subject, and services of technical assistance.

The key advantages of the database for tax administrations will be:

- quick search and fast identification of comparables;
- information filters for excluding inadequate comparables;
- prioritisation of results;
- free access to information for governments as well as companies and individuals.

For further information on the project please contact Jörg Wisner ([joerg.wisner@giz.de](mailto:joerg.wisner@giz.de)).

## Multiple EU initiatives underway to enhance tax collection and combat fraud

The European Commission has initiated a process to broadly re-evaluate approaches to fighting tax evasion and tax competition. Furthermore, the Commission is currently reviewing legislation on anti-money laundering and accounting standards.

In this context, the European Commission has launched a consultation process on double non taxation, which will be running until 30 May. The process consists of asking organisations and individuals to give concrete examples of double non-taxation and to suggest possible solutions. In a second phase, the results will feed into a wider process, the 'Communication on strengthening good governance in the tax area' (particularly regarding tax havens, uncooperative jurisdictions and aggressive tax planning), to be adopted by the end of 2012.

The review of the Accounting and Transparency directives has, moreover, resulted in a lively debate on cross border taxation. The European Commission's proposal seeks, amongst other things, to address corruption and tax evasion in developing countries by requiring mining, hydrocarbons and forestry companies to report payments to governments on a country-by-country basis. Members of the European Parliament have suggested further strengthening this legislation by calling for additional information on companies' financial performance – including country-by-country reporting on profit and staff numbers.

In line with these developments, the European Parliament voted through the 'The resolution of 19 April', which also calls for country-by-country reporting, automatic

exchange of tax information and the implementation of a Common Consolidated Corporate Tax Base (a measure that will probably be introduced on a voluntary basis for companies and countries). In addition, the European Commission recently released a communication on anti-money laundering rules.

For more information please contact Alex Marriage ([amarriage@eurodad.org](mailto:amarriage@eurodad.org)).



## Launch of fair taxation project in Uganda

Community leaders, government officials, and representatives of civil society and the private sector joined Oxfam in Uganda on the 3 April 2012 to celebrate the launch of the 'Capacity for Research and Advocacy for Fair Taxation' (CRAFT) project. The rationale behind CRAFT is that more equitable and increased taxation is critical for both poverty reduction and democratic governance.

'The project is welcomed by the government,' said Matia Kasaija, Ugandan State Minister of Planning, 'Citizens should learn to demand social accountability. Many things are not moving the way they should due to inefficiency and secrecy'.

Roberto Ridolfi, Head of Delegation of the European Union, added, 'Tax is a complex issue that must be handled with maximum care. Inefficient provision of services by government leads to tax evasion. A fair tax policy must ensure transparency and accountability in public funds and should not hit those who are already economically disadvantaged.' CRAFT will train Civil Society Organisations (CSOs) in technical-fiscal advocacy and campaigning aspects of tax justice. Moreover, an awareness campaign will be organised to inform and mobilise the general public. CRAFT is implemented by SEATINI and Tax Justice Network-Africa in partnership with Oxfam. The project is funded by the European Union through the Democratic Governance and Accountability Programme (DGAP).

For more information, please contact:  
Paul Groenewegen ([paul.groenewegen@oxfamnovib.nl](mailto:paul.groenewegen@oxfamnovib.nl)),  
or Nelly Busingye Mugisha ([nbusingye@seatini.org](mailto:nbusingye@seatini.org)).



### **Jamaica to further strengthen exchange of information on tax matters with international support**

Owing to the interest of the Jamaican authorities in improving their level of transparency, the Tax Administration Jamaica (TAJ) has proposed a comprehensive reform, which, among other relevant aspects, focuses on strengthening their sources of information and their ability to effectively exchange information.

In line with the international aid agenda, CIAT has coordinated multilateral donor support in order to support the TAJ in the aforementioned processes of change. As a result of these efforts, key national and international organisations in the field of taxation – including the World Bank Group, the Global Forum, the Guardia di Finanza of Italy and the US IRS – came together in Kingston from 13 to 16 March to support the TAJ in the design and implementation of processes for the exchange of information to effectively fight tax evasion and tax fraud.

The activity proved very useful in adjusting and reformulating aspects of the improvement plan proposed by the TAJ. Moreover, it helped to raise the TAJ's awareness both of potential risks resulting from its implementation and actions to be taken in order to reduce the likelihood of those risks.

The mission noted that the TAJ has highly effective, clear and precise objectives to achieve the planned reforms regarding information exchange on tax matters. Thus, experts consider that it will not be difficult for the TAJ to achieve its goals.

For further information please contact Gonzalo Arias ([garias@ciat.org](mailto:garias@ciat.org)).



## Central American countries discuss regional fiscal policies in a new global context

The Central American Institute for Fiscal Studies (ICEFI) realised a seminar on the 'Fiscal Situation of Central America in a new global context'. From 13–14 March 2012 over 100 national and international public functionaries, academics and representatives of international organisations and civil society gathered in Guatemala City to exchange experiences and discuss the fiscal situation as well as the key challenges for fiscal sustainability in the region. The seminar was jointly hosted by the ITC, the Swedish Embassy in Guatemala, Christian Aid and the German Development Cooperation.

Within this framework, the seminar concentrated on a) the analysis of possible international scenarios which might negatively impact on the region in the middle- and long-term; b) a discussion of the room for fiscal manoeuvre experienced by Central American countries and their potential for increasing fiscal justice; c) the challenges for tax reform in the region, especially with regard to political pressures; and d) critical aspects for fiscal sustainability in Central American countries.

The presentations of the seminar can be downloaded at: <http://www.icefi.org/categories/47>.

For further information on the seminar please contact Hugo Noé Pino ([hugo.noe.pino@icefi.org](mailto:hugo.noe.pino@icefi.org)).

## East African Community is steadily moving towards a common East African market

The tax division of the East African Community (EAC) and the German Development Cooperation have successfully completed their jointly developed training programme for tax administrators and representatives of the EAC's ministries of finance. Within the last 5 months over 150 high-level experts and high-ranking officials have been trained with regard to the benefits of the East African Double Taxation Agreement and its practical implementation.

The agreement and its implementation are crucial for establishing foundations for the free movement of persons and goods in the region and are thus seen as an important milestone along the way towards a common East African market. Moreover, from a good financial governance perspective, the development of a coherent legal framework strengthens the transparency and comprehensibility of the tax systems within the EAC. In the long run, this will be crucial for improving the investment climate in East Africa and enhancing economic growth in the region. Training was first conducted in Uganda, Tanzania, Kenya, Rwanda and Burundi. In consideration of particular needs, the trainings were then further modified. The materials, for example, were translated into French and Kinyarwanda or adapted in order to meet special demands of district administrations. In addition, an extensive manual, including best practices and example cases, will be published in the middle of this year.

For further information on the project please visit the following link: <http://www.eacgermany.org/index.php/eac-giz-programme/tax-harmonisation>.

For further questions please contact Katharina Gunselmann ([katharina.gunselmann@giz.de](mailto:katharina.gunselmann@giz.de)).



## Revenue administration's fiscal information tool (RA-FIT), a data gathering initiative of the IMF

The IMF has designed and developed a data collection tool to gather revenue administration information in order to establish baseline revenue administration indicators and to identify trends. Currently, no global set of revenue administration baseline data is available against which a country can compare and contrast its performance.

The objectives of RA-FIT are to provide: a) a service to member countries to better facilitate revenue administration benchmarking; b) established international revenue administration baselines (by appropriate grouping, e.g. by income group); c) a better and more robust means of

measuring reform progress; and d) Technical Assistance (TA) providers with critical baseline information around which their results based frameworks can be developed and used to better measure progress. Additionally, the IMF hopes that the data gathering exercise will highlight the need for, and promote the use of, key revenue administration indicators.

RA-FIT has been circulated to 100 countries, mainly low- and low middle-income countries serviced by IMF Regional Technical Assistance Centres (RTACs), or where the IMF has resident advisors. This allows for close in-region support to countries both in terms of guidance and quality assurance.

RA-FIT has also been circulated in a number of languages: Arabic, English, French, Portuguese, Russian, and Spanish. The RA-FIT data gathering exercise is to become a regular IMF event.

The task is huge, but the data RA-FIT will provide to countries will help them to benchmark themselves and build their ability to collect and analyse information. For this reason, the IMF seeks to collaborate as widely as possible with all interested organisations.

For more information about RA-FIT, please contact Andrew Masters ([amasters@imf.org](mailto:amasters@imf.org)); or Eric Hutton ([ehutton@imf.org](mailto:ehutton@imf.org)).

## Study on 'State of Tax Administration in Latin America: 2006 – 2010'

The initial results of the study 'State of Tax Administration in Latin America: 2006-2010' – a joint project carried out by the Inter-American Development Bank (IDB), the Technical Assistance Centre for Central America, Dominican Republic and Panama of the International Monetary Fund (CAPTAC-DR) and CIAT – are now available.

This study was developed based on information collected through a questionnaire sent to the tax administrations of Latin American countries in early 2011, consisting of 327 questions framed in 10 different sections: institutional aspects, human resources, legal framework, tax procedures, international taxation, large taxpayers, information technology and communication, planning and study, relationships with society and trends and future challenges.

The participating tax bodies were AFIP of Argentina, SIN of Bolivia, RFB of Brazil, SII of Chile, DIAN of Colombia, DGT of Costa Rica, SRI of Ecuador, DGII of El Salvador, SAT of Guatemala, DEI of Honduras, SAT of Mexico, DGI of Nicaragua, DGI of Panama, SET of Paraguay, SUNAT of Peru, DGII of Dominican Republic and DGI of Uruguay.

Although the final version of the study has not been published yet, a short presentation of the main findings can be found under the following link:

<http://www.ciat.org/index.php/en/international-cooperation/international-activities/technical-conferences/ponencias/2022-ponencias-46o-asamblea-general-del-ciat.html>.

For further information please contact Miguel Pecho ([mpecho@ciat.org](mailto:mpecho@ciat.org)).

## ECLAC publishes study on 'Tax Structure and Evasion in Latin America'

ECLAC has recently published a study on 'Tax Structure and Evasion in Latin America'. The study focuses on the evolution and major features of the typical level and structure of the tax burden in the region over the last 20 years, identifying important differences between the countries and classifying them into three distinct groups. Moreover, the study highlights the principal obstacles and constraints that most of the countries have encountered in attempting to increase their tax revenues and modify their tax structures on the one hand and details the main tax policy alternatives adopted by these countries in recent years to increase their tax burdens on the other.

In the following section the study concentrates on various aspects of tax evasion (particularly the ways in which it harms the tax system), including methods generally used to estimate levels of evasion, available information on evasion in the region's countries, and information on specific cases where there has been significant progress in making quantitative measurements of evasion.

Finally, the study looks at tax administrations, in particular at strategies implemented to improve collection of the major taxes, and presents a variety of performance indicators for Latin American tax administrations (taking account of methodological constraints) designed to measure efficiency, effectiveness and the availability of resources.

The study can be downloaded at:  
[http://www.cepal.org/publicaciones/xml/5/45935/SERIE\\_MD\\_118.pdf](http://www.cepal.org/publicaciones/xml/5/45935/SERIE_MD_118.pdf).

For further information please contact Juan Pablo Jimenez ([juanpablojimenez@cepal.org](mailto:juanpablojimenez@cepal.org)).

## Upcoming OECD study on tax morale

What do people in developing countries think about paying tax? Does it matter? New studies being undertaken by the OECD are exploring such questions. An upcoming report on 'tax morale' will examine the attitudes and perceptions of citizens in developed and developing countries to taxation and tax evasion.

An appreciation of tax morale can provide governments and international assistance providers with a 'bottom up' perspective and insight into the factors that influence citizens' perceptions of tax systems, complementing more administrative measures of tax system development (e.g., tax to GDP ratio). Data from the World Values Survey (WVS) are being analysed to provide a global picture of tax morale, supplemented by more specific information from several regional barometers.

Preliminary findings show that socio-economic factors such as education, gender, income, employment, age, and religious beliefs all influence tax morale. They also highlight how institutional factors, such as trust in

government and satisfaction with public services and the functioning of democracy in their country affect citizens' attitudes towards taxation. Tax morale is close to the heart of governance and state building issues. Measuring it helps to see links between the views of citizens on expenditure-related outcomes and those on taxation, suggesting that governments can act proactively to put in place the conditions for a 'culture of compliance'. It can also inform the efforts of revenue authorities to target taxpayer education programmes.

Many developing countries are looking to mobilise additional domestic resources for development to help meet Millennium Development Goals, for example. An understanding of tax morale may help governments increase the proportion of the population and sections of the economy to enter the tax net.

For additional information please contact Christian Daude ([christian.daude@oecd.org](mailto:christian.daude@oecd.org)), or Keith Patterson ([keith.patterson@oecd.org](mailto:keith.patterson@oecd.org)).



# Dialogue, Conferences and Upcoming Events

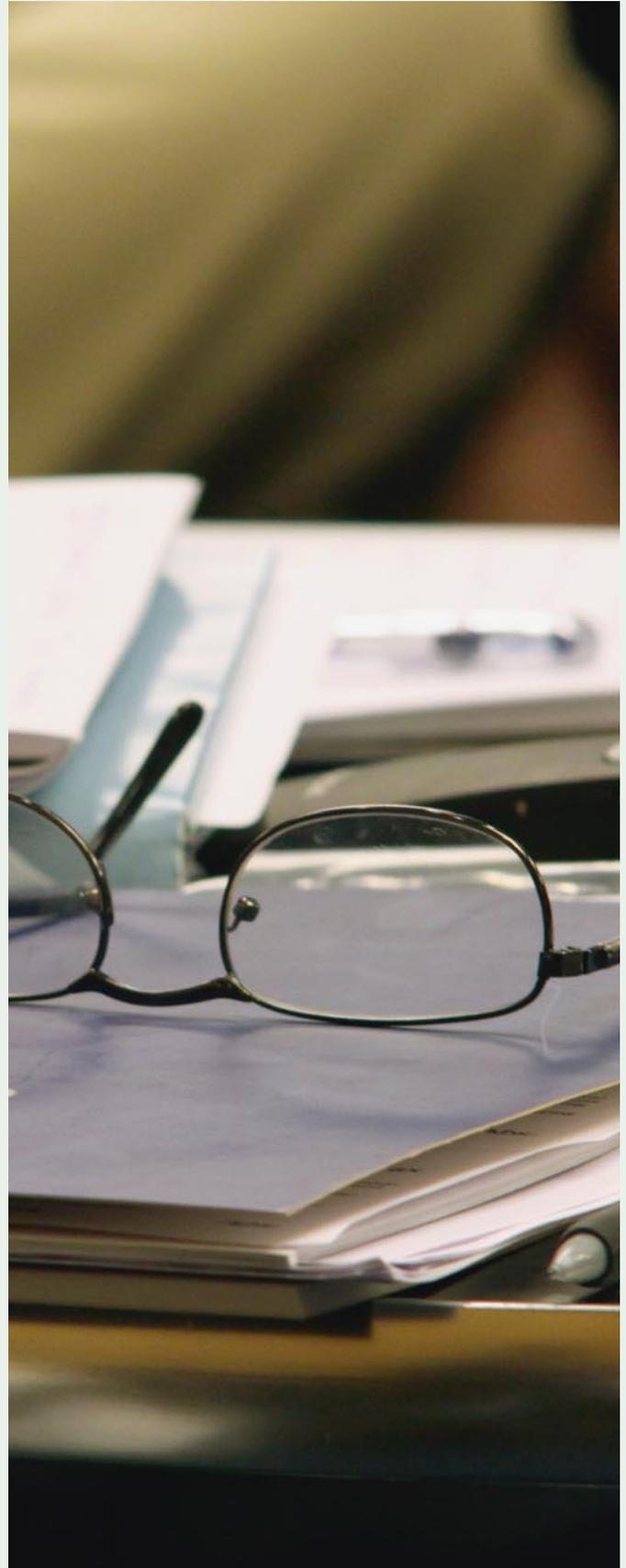
## 2nd Asian Tax Authorities Symposium, 4–5 September, Kuala Lumpur

Following the success of the inaugural Asian Tax Authorities Symposium (ATAS) in 2010 on International Tax Treaties, the 2nd ATAS will be held on 4-5 September 2012 in Kuala Lumpur, Malaysia. In keeping with its aim to highlight pertinent and key issues faced by both tax administrators and policy makers, the theme of this year's symposium is 'Anti-Avoidance Rules in Taxation: Striking a Balance'.

In addition to technical lectures by renowned experts, the symposium will discuss the issues related to implementing and enforcing an Anti-Avoidance Regime faced by the Asian tax authorities in the main areas of Tax Policy, Tax Administration, Transparency and the Judiciary. By bringing together the developed, developing and lesser developed nations in the region, it is hoped that greater sharing of successful tax practices, experiences and solutions that reflect the realities, will better address the needs and priorities of the respective countries.

ATAS is organised by the International Bureau of Fiscal Documentation (IBFD) in partnership with the United Nations and the Inland Revenue Board of Malaysia, and sponsored by the Royal Norwegian Ministry of Foreign Affairs and ITC. The OECD is present as observer and participates in the symposium with a speaker.

For further information on IBFD events and technical assistance in Asia-Pacific, please contact the IBFD via email: [ibfdasia@ibfd.org](mailto:ibfdasia@ibfd.org).





## 2nd International Workshop on 'Mobilising Domestic Revenue in Developing Countries', 15 November 2012, Bonn

On the 15th of November 2012, the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) is hosting a one-day workshop on 'Mobilising domestic revenue in developing countries'. This workshop will build on the experience of a first international workshop held in December 2011 where DIE researchers discussed their ongoing work on tax issues with colleagues from the German Federal Ministry for Economic Cooperation and Development (BMZ), German Development Cooperation, KfW, the European Union (EU), IMF, OECD, the School of African and Oriental Studies (SOAS) and the European Centre for Development and Policy Management (ECDPM).

This time the DIE cordially invites researchers from other institutions to present their work at the institute in Bonn. The call for papers can be found at:

<http://tinyurl.com/TaxProject-CallForPapers>.

The organisers especially welcome papers with a focus on tax performance in developing countries that provide a fresh view through in-depth case study analysis or innovative conceptual and methodological approaches. The DIE plans to organise a special issue on domestic revenue mobilisation in a renowned scientific journal. The workshop will constitute a first opportunity to identify potential contributions to this special issue.

For further details concerning contents and logistics please visit the website or contact Armin von Schiller ([armin.schiller@die-gdi.de](mailto:armin.schiller@die-gdi.de)).

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