

IOTA NEWS

UPDATES ON THE SECRETARIAT

02.01.2023.

Forum on the Use of Data from the Automatic Exchange of Information (AEOI)

On 13th-15th December 2022, IOTA opened the floor for its last Forum Meeting this year. The Forum on the Use of Data from the Automatic Exchange of Information (AEOI) brought together a distinguished group of thought leaders, representatives from international partner organisations (OECD), the business community (KPMG UK, EY UK) along with more than 35 tax professionals (advisors, inspectors, managers, data scientists) from IOTA member tax administrations



to discuss key issues helping to ensure the effective use of the CRS data and increase the effectiveness of automatic exchanges of information under CRS. The hybrid event was also welcomed by more than 140 tax officials from 31 IOTA member countries joining online to the three-day event.

The *IOTA Forum on AEOI*, established in 2017, aims to create a platform for experts of IOTA member tax administrations to work collaboratively towards developing effective ways to access and use the data under the *Automatic Exchange of Information (AEOI)*, *Common Reporting System (CRS)* and *Foreign Account Tax Compliance Act (FATCA)*. The overall purpose of the Forum is to support the development of effective ways to access and use the CRS data, in particular, with regard to Process, Compliance of Financial Institutions, and Use of Data to enhance Taxpayer Compliance.

The three-day event specifically explored key topics like ensuring high-quality and appropriate use of CRS data *Compliance of Financial Institutions (FIs)* with CRS reporting obligations; as well as methods/procedures for the use of CRS data to identify non-compliance of FIs and non-compliance of domestic taxpayers.

On the first day of the Forum on AEOI, attendees were updated on latest developments of ***the Global Forum on Transparency and Exchange of Information for Tax Purposes by Reynald Vial, OECD*** and followed online presentations on ***Business Community Experiences - Challenges arising from CRS implementation*** delivered by our guest speakers ***Jeanette Cook, KPMG UK*** along with ***David Wren, EY UK***. The second half of the day made room for IOTA country presentations on *Ensuring high-quality and appropriate use of CRS data* and *Compliance of Financial Institutions with CRS reporting obligations*. The following member administrations shared their experiences on the topics:

- **Bulgaria:** The road to ensuring the high quality of the CRS data exchanged: Bulgaria's perspective presented by Zhivko Elenkov;
- **Switzerland:** Follow up with respect to undocumented accounts presented by Ararat Michael;
- **Ireland:** DAC2-CRS Compliance work and issues encountered presented by Derek Egan;
- **Finland:** Compliance of FI with CRS reporting obligations Dinis Kyllonen.

After the countries' presentations, in-person participants were split into small discussion groups in order to exchange their own views, ideas and experiences on certain pre-determined questions regarding FIs compliance.

The second day of the Forum on AEOI brought new knowledge and another group of insightful presentations on the stage. Forum participants got better acquainted with the topic that has started the day before about *Compliance of Financial Institutions with CRS reporting obligations*. Furthermore, attendees discovered new methods and procedures for the use of CRS data to identify non-compliance of FIs and non-compliance of domestic taxpayers.

IOTA country presentations particularly focused on how to facilitate the compliance of Financial Institutions (FIs) with CRS-related reporting obligations under applicable national laws, through the provision of information and guidance; how to develop or improve methods and tools for the use of CRS data to identify non-compliance by FIs. The second day of the Forum brought another batch of interesting presentations from various member countries:

- **Spain:** CRS strategy with Financial Institutions: Assistance and monitoring presented by Rafael Cabeza Chevron;
- **United Kingdom:** CRS Compliance in the UK presented by Michael Pocock;
- **Greece:** Auditing FIs on CRS Reporting Obligations presented by Petros Fasilis;
- **Romania:** Methods of identifying the non-compliance of Romanian financial institutions presented by Alina Petruța Schneider;
- **Hungary:** Utilization of AEOI data presented by Barbara Dorner.

As in the first day of the Forum, the in-person participants were split and actively involved in small discussion sessions to share their own ideas and experiences on the issue of taxpayers' compliance.

The closing day of the Forum on AEOI broadened the attendees' practical knowledge on methods/procedures for the use of CRS data to identify non-compliance of domestic taxpayers by delivering additional presentations on the aforementioned issue and proposing actions to be adopted within IOTA member countries. This topic was addressed by the following country presentations:

- **Finland:** Detecting non-compliant taxpayers - Finnish approach to foreign CRS data presented by Teemu Rama;
- **France:** French use of CRS data for compliance presented by Cecile Bader;
- **Norway:** Using Digital dialogue toward the taxpayers presented by Magnus N. Andresen and Halvor Haga.

03.01.2023.

Update on the Appointment of the Director-General of the Slovenian Financial Administration



The Financial Administration of the Republic of Slovenia has appointed Mr. Peter Grum as Director-General for a five-year term with the possibility of reappointment. He took the office on 10 December 2022 and his mandate will be ending on 9 December 2027.

Mr. Grum holds a Master's degree in Law. He worked at the Financial Administration of the Republic of Slovenia and its predecessor, the Tax Administration of the Republic of Slovenia, for 14 years, from 2006 to 2020.

He joined the Tax Administration (Tax Office Ljubljana) in 2006 as a trainee in the Legal Department. He then worked at the General Tax Office in the Income Tax and Contributions Department and in the Director-General's Office. In 2011, he headed the Tax Finance Sector in the Tax Accounting and Finance Administration. In 2012, he became Head of the Director-General's Office at the General Tax Office and in 2014 Deputy Director-General of the Tax Administration. He held this position until October 2020, when he became Director-General of the Information Technology Directorate at the Ministry of Public Administration. He held this post until 10 June 2022, when he became Acting Director-General of the Financial Administration. He has been appointed by the Government as Director-General of the Financial Administration for a five-year term, starting on 10 December 2022 and ending on 9 December 2027, with the possibility of reappointment.

At the Financial Administration (or previously the Tax Administration), he led a number of working groups which dealt with, among other, the overhaul of the Tax Administration's IT system, the creation of an integrity plan for the Financial Administration, the introduction of tax cash registers, the reorganisation of the Financial Administration, and the launch of the eDavki (eTaxes) mobile application. During the period of the COVID pandemic, he led various projects to set up financial assistance for taxpayers and was also one of the key players in setting up the tourist voucher redemption system.

04.01.2023.

IOTA Executive Secretary at the Technical Conference of DET

On 12th-13th December 2022, Alix Perrignon de Troyes, the Executive Secretary of IOTA participated as a panellist at the Technical Conference of Digital Economy Taxation Network (DET) and high-level policy dialogue on "The Impact of Technologies on Emerging Tax Policy Issues" in Vienna, Austria.

The event brought together more than 40 delegates from tax administrations, international organisations along with participants from the business community and research institutions to discuss and assess the latest developments in digital tax transformation.

The Digital Economy Taxation Network (DET) was established in 2017, and is now a widely recognised forum, with high-level conferences already organised in Vienna, Geneva, Singapore, China and the United States. These technical conferences are a useful way to take an overall assessment of where the international community stands on digital tax transformation. The aim of the initiative is to bring the most out of the ongoing digitalisation of tax policy and tax administration by undertaking collaborative research.

During these two days, the focus of discussion was on the impact of technologies on emerging tax policy issues. The Technical Conference was organised in seven sessions and was co-chaired by Jeffrey Owens (WU GTPC) and Chiara Bronchi (WB).

Contributing to the discussion of the topic, the Executive Secretary of IOTA delivered a presentation during the session '*The new balance in the relationship between taxpayers and tax administration*'. Alix Perrignon de Troyes gave examples of the blockchain technologies being deployed in IOTA member countries as for the tax administrations, furthermore, she highlighted the main advantages of blockchain such as transparency, efficiency, data integrity and security, emphasized that all participants being able to exchange secure information without intermediaries.



The given examples are covered by Georgia (1st country to start with blockchains), the Netherlands, Estonia, Sweden, and Finland. The challenges that remained are the preservation of privacy, the security of the interactions and the third-party verifiability.

The same session also welcomed speakers like Christina Dimitropoulou from the Vienna University (WU), and panellists namely Luisa Scarcella from the ICC Centre for Digital Trade and Innovation along with Valerio Barbantini from the Italian Revenue Agency.

03.02.2023.

Madrid Became A Candidate to Host the New European Anti-Money Laundering Authority

On 26 October 2022, the Mayor of Madrid together with the Secretary General of the Treasury and International Financing of the Ministry of Economic Affairs and Digital Transformation announced the decision to present the candidacy of Madrid to host the European Anti-Money Laundering Authority (AMLA).

AMLA

On 20 July 2021, the European Commission presented an ambitious package of legislative proposals to strengthen the EU's anti-money laundering and countering the financing of terrorism (AML/CFT) rules. The package also includes a proposal for the creation of a new EU authority to fight money laundering (AMLA).

The new EU-level Anti-Money Laundering Authority (AMLA) will be the central authority coordinating national authorities to ensure that the private sector applies EU rules in a correct and consistent manner. AMLA will also support FIUs (Financial Intelligence Units) in improving their analytical capacity on illicit flows and making financial intelligence a key source for law enforcement.

SPANISH AML SYSTEM: BENCHMARK IN THE FIGHT AGAINST MONEY LAUNDERING

Spain is firmly committed to Anti-money Laundering (AML) and to the preservation of European values and it is a worldwide referent in the field.

Spain has a money laundering prevention system of a high standard, being the only country in the world with the highest qualifications in AML/CFT efficiency. according to the FATF Mutual Evaluation Report of Spain in 2014, and 5th year Follow Up Assessment, of 2019. In particular:

- Spain stands out for its AML supervision. The Financial Action Task Force (FATF) points out that "Spain has a powerful surveillance system of its banking sector in the field of the prevention of money laundering and financing of terrorism. Spain's outstanding record has proved that its procedures of monitoring and financial surveillance have prevented criminals from controlling financial institutions."
- The Spanish private sector has high compliance standards. "The overall robustness of the preventive measures implemented by Spain's financial institutions is particularly remarkable in the banking sector."
- Spain ranks among the top four countries in the world in the production and use of financial intelligence, being, along with The Netherlands, the only European country holding the highest ranking according to FATF 4th round ratings.

In addition, the Spanish model has a robust institutional design, similar to the one proposed for AMLA, where the Commission for the Prevention of Money Laundering and its supporting bodies (SEPBLAC) act as regulator, supervisor, and Financial Intelligence Unit.

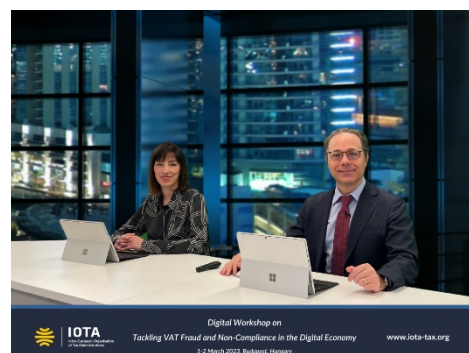
Spain also stands out for its top coordination level of the institutions involved in the prevention, supervision, investigation and prosecution of money laundering and terrorist financing, and also counts with strong mechanisms for international cooperation.

The election of Madrid as future Headquarters of AMLA would allow to set up synergies with other agencies and institutions, as well as to recruit specialised and highly qualified staff, while preserving the essential independence of AMLA.

06.03.2023.

Digital Workshop on Tackling VAT Fraud and Non-Compliance in the Digital Economy

On 1-2 March 2023, IOTA successfully held its first digital workshop of the year to kick off our Work Programme Activities for 2023. The event was broadcast live from the IOTA Studio in Budapest, Hungary, and attracted a great number of participants. More than 250 tax officials from 32 IOTA member tax administrations joined the virtual event.



The *Workshop on Tackling VAT Fraud and Non-Compliance in the Digital Economy* brought the latest experiences from IOTA member tax administrations like *Austria, Belgium, Georgia, and Spain* as well as the OECD on tackling VAT fraud and non-compliance in the digital trade of goods and services. The aim of the Workshop was to discover new trends in this area and provide guidelines on how to efficiently apply domestic and international control measures along with advanced technologies for combating VAT fraud and non-compliance in e-commerce.

During the 2-day Workshop, speakers shared their experiences about how to prevent and detect concrete VAT fraud and non-compliance cases involving digital platforms, as they gave an update to workshop participants about methodologies for tackling digital platform frauds/non-compliance, including examples of international administrative cooperation.

On the first day, **OECD** representative, *Stéphane Buydens* set the floor for the virtual meeting. *Mr. Buydens'* presentation addressed the topic *"Data collection and management for VAT purposes"*, while the following IOTA countries reflected on the topic:

- **Georgia:** *"Challenges of VAT compliance in digital economy from the Georgian tax administration perspective"* presented by *Lasha Zaridze*,
- **Spain:** *"Spanish VAT case studies in digital economy"* presented by *Raquel Vázquez*

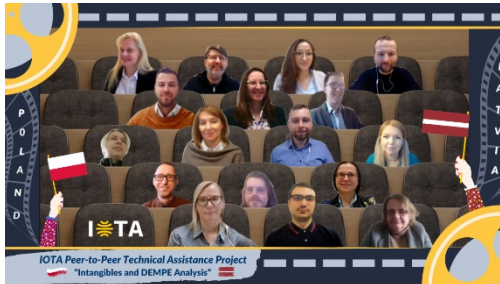
The second day of the Workshop brought Belgium and Austria's experiences to the digital stage showcasing the following country presentations:

- **Austria:** *"Austrian experience with platform data"* presented by *Andrea Stary* and *Stephanie Zolles*;
- **Belgium:** *"Simple Machine Learning process for early detections of Frauds"* presented by *Pascal Beaujeant*

Workshop participants could raise questions during the Q&A at the end of each session. In addition, they were actively involved in virtual group discussions and a panel debate during the digital event. This Workshop was moderated by Massimo Morarelli, and supported by Ivana Donchevska, International Taxation Experts of IOTA Secretariat.

14.03.2023.

Poland and Latvia Shared Experience in the Framework of IOTA Peer-to-Peer Technical Assistance Project “Intangibles and DEMPE Analysis”



The first IOTA Peer-to-Peer Technical Assistance Project initiated in 2022 was successfully implemented by the National Revenue Administration (NRA) of the Republic of Poland as the Provider and the State Revenue Service of the Republic of Latvia (SRS) as the Beneficiary. The main purpose of the Project was to improve the SRS employee knowledge and understanding of DEMPE functions regarding distribution of profits generated by a group's intangibles while

respecting market principles (as per the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, January 2022).

The Project's core activity was a digital Workshop held on 1-2 February 2023 in which NRA presented to SRS some theoretical aspects and gave practical examples on intangibles' evaluation and the use of DEMPE analysis during APA procedures. Further on, the parties focused on exchanging experience and views on practical APA cases. The main benefit for SRS was that it could hear about first-hand experience on how NRA deals with transfer pricing cases that involve intangibles and how each of the DEMPE functions is evaluated.

As a result of a fruitful discussion between both IOTA member tax administrations the conclusion was that each transfer pricing case should be evaluated individually and that there is not one perfect mechanism on how DEMPE functions should be analysed.

Overall, the parties agreed that the IOTA Peer-to-Peer Technical Assistance Project is a great way for tax administrations to directly exchange information and experience in different fields.

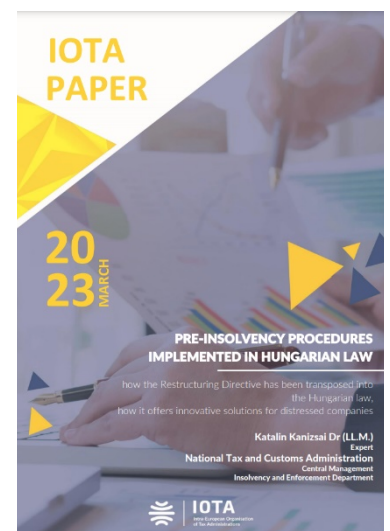
22.03.2023.

New IOTA Paper is Out Now

The new Paper explores the *Pre-insolvency Procedures Implemented in Hungarian Law* and is written by *Katalin Kanizsai, LL.M.*, who works as an Expert at the Insolvency and Enforcement Department of the Hungarian National Tax and Customs Administration (NTCA).

The impact on the economy caused by the Covid-19 pandemic that has hit the world and by the energy crisis that is currently taking place has put and could put many businesses in a critical financial situation in the near future. The aim of Directive (EU) 2019/1023 of the European Parliament and of the Council, of 20 June 2019 on Restructuring and Insolvency is to introduce an instrument to rescue companies that are still viable but in financial difficulty, providing an effective legal tool to help financially distressed companies to recover.

This Paper is an analysis of how the Restructuring Directive has been transposed into Hungarian law, and how it offers innovative solutions for distressed companies, following the main building blocks. It remains to be seen whether the new



procedures will change the approach of debtors and creditors, as the restructuring, which aims to introduce a pre-insolvency procedure, opens up completely new perspectives for the parties concerned, which were not present in the bankruptcy and liquidation proceedings available until now.

22.03.2023.

Digital Workshop on “Use of Data from Information Exchange under the OECD BEPS 12 Action Plan and EU DAC 6”

On March 21, 2023, IOTA successfully live-streamed another impressive online activity from the IOTA Studio in Budapest, Hungary. The digital workshop showcased a very up-to-date topic: "Using data from information exchange in the framework of the OECD BEPS 12 action plan and the EU DAC 6", and brought together an exciting mix of speakers, from our international partner organisation, the European Commission DG TAXUD, along with experts from IOTA member tax administrations. The online event was joined by more than 170 participants from 27 IOTA countries.

The Workshop aimed to share IOTA member tax administrations' experiences on the practical use of data received through information exchange under BEPS Action 12 and EU DAC 6, as well as challenges and difficulties faced up to now in using the data obtained in risk management and control.

Exchange of information under the BEPS 12 Action Plan and its EU-wide administrative cooperation instrument - the DAC6, obliges taxpayers and advisers to disclose aggressive tax planning schemes to the tax authorities. For this reason, it is very useful to share practices, techniques, and methods used in processing data received from a technical point of view and data exploitation in risk analysis and management.

The Digital Workshop explored the European Commission's perspective as well as brought the latest IOTA member-country experiences from *Denmark, Hungary, and Sweden* on the use of data from information exchange under the BEPS 12 Action Plan and EU DAC6. In addition, the event supported the wider application of the BEPS 12 recommendations among non-EU countries identifying good practices and difficulties in using data from the BEPS 12 and EU DAC 6 information exchange.

Guest speaker of the IOTA Workshop, **European Commission DG TAXUD's Julien Dodeler**, opened the floor for the virtual presentations and updated workshop participants on the "DAC6: A state-of-play from the European Commission's perspective". During his presentation, he provided some input about the theoretical background of DAC 6 (i.e. purpose, context, key features), as well as initial feedback received from Member States at EU level, and recent developments and next steps. While the next part of the Workshop put the IOTA member countries' experience in the spotlight where a handful of tax administrations reflected on the topic with the following country presentations:

- **Sweden:** "Use of data – the Swedish approach" presented by *Emma Barrögård*;
- **Denmark:** "Data Quality and Risk Assessment" presented by *Jacob Koldig Nielsen*;
- **Hungary:** "DAC 6 Capacity Building and First Experiences of Hungary" presented by *Zoltán Vágó*.

By sharing country experiences, the IOTA event also addressed:

- communication with taxpayers and intermediaries to raise awareness and clarify requirements of the disclosure
- steps up to now on auditing the compliance of intermediaries subject to the mandatory disclosure rules
- quality checks and effective use of data received through examples or through technical solutions internally introduced
- the role of data from mandatory disclosure within the risk assessment and case selection system
- cooperation with foreign tax administrations (EU and non-EU)
- Ideas to improve DAC6 data

Workshop participants could raise questions during the Q&A session, furthermore, they were actively involved in virtual group discussions and a panel debate during the digital event. Attendees in the Group Discussion reflected on their own experiences related to the Workshop topics, as they also had the opportunity to discuss problems and consider solutions to any outstanding issues through a free exchange of views and opinions.

A special thank goes out to our country experts *Emma Barrögård*, Sweden; and *Jacob Koldig Nielsen*, Denmark; along with *Zoltán Vágó*, Hungary for sharing their expertise and for providing multilayer input in planning, shaping, and making this digital event a success.

03.04.2023.



30th Forum of IOTA Principal Contact Persons

On 28-29 March 2023, IOTA had the pleasure of hosting the 30th Forum of Principal Contact Persons in Budapest, Hungary. The jubilee event brought together a great number of PCPs from the IOTA member tax administrations who joined the activity both personally and online.

This year's Forum took place in a newly developed format that provided participants with a "360 degrees view" of IOTA activities in 2023 and created a more interactive atmosphere for PCPs with the so-called "ice-breaker" sessions. Welcome remarks by Alix Perrignon de Troyes, Executive Secretary of IOTA, and Ferenc Vágujhelyi, Commissioner of the National Tax and Customs Administration of Hungary (NTCA) set the floor for the meeting.

The two days of discussions explored topics like how the organisation plans to implement its new Strategy 2023-2027 and the latest developments in the communication activities including the concept of the new IOTA Blog. Highlights of the Forum also included the Working Program 2023, the development of IOTA's international cooperation, technical assistance, and other key aspects of IOTA's activities, along with the latest improvements on the new IOTA Web Portal's horizon.

On the first day of the Forum, members of the IOTA Secretariat delivered presentations covering the following range of topics:

- *Introduction of new PCPs and Shadow PCPs* presented by Alix Perrignon de Troyes, IOTA Secretariat
- *Forward look on IOTA activities in 2023* presented by Alix Perrignon de Troyes, Eugenijus Soldatkovas, Roman Bichevoy IOTA Secretariat
- *IOTA Communications and the new IOTA Blog*, Erika Szabó, IOTA Secretariat
- *Membership Engagement* presented by Roman Bichevoy, IOTA Secretariat
- *Induction Session for Newly Appointed PCPs* presented by Roman Bichevoy, Eugenijus Soldatkovas, and Massimo Morarelli IOTA Secretariat

During the second day of the Forum meeting, the plenary session's presentations revolved around the following themes:

- *IOTA International cooperation* presented by Roman Bichevoy, IOTA Secretariat
- *Update on Development of IOTA Web Portal* presented by László Muzslay, IOTA Secretariat
- *Update on the Preparation for the 27th General Assembly of IOTA* presented by Eugenijus Soldatkovas IOTA Secretariat along with the Georgian Presidency

PCPs could raise questions during the Q&A at the end of each plenary session. Furthermore, they were actively involved in group discussions and panel debates in which participants could benefit from in-depth discussions on the specific aspects of the IOTA work. The group discussion sessions were led by the International Taxation Expert Team of IOTA: Alexandros Roukalis, Ivana Donchevska, Massimo Morarelli, Oksana Stepanenko along with Jonathan Heath.

After the open Q&A session between the PCPs and the members of the IOTA Secretariat, the 30th Forum of Principal Contact Persons was closed by Alix Perrignon de Troyes, Executive Secretary of IOTA who outlined the main conclusions and next steps to be taken based on the work presented and discussed during the two-day event.

18.04.2023.

Newly Appointed Director-General at the Swiss Federal Tax Administration

The Swiss Federal Council appointed Tamara Pfammatter as the new Director General of the Swiss Federal Tax Administration (FTA). Ms. Pfammatter took the office on 1 April 2023 and will succeed Adrian Hug, who retired at the end of March 2023.



Before her appointment as Director General of the FTA, Tamara Pfammatter served as an ambassador at the State Secretariat for International Finance (SIF). As Head of Tax Division at SIF, she was responsible for Switzerland's international bilateral and multilateral tax dossiers. In the last decade (2009-2020), she worked as a project manager in the Tax Policy Division of the FTA. Tamara Pfammatter studied law and has a post-graduate qualification in Public Administration.

With the appointment of Tamara Pfammatter, the FTA will have a dedicated lawyer in this position who is well aware of the challenges arising for tax administrations from digitalisation and globalisation and can contribute to the future development of the Swiss tax administration.

21.04.2023.

Improved Access Period, Introduction of Reference Guide, and New Translated Courses in the VITARA Portfolio

In order to improve the user experience and mitigate the administrative processes for the VITARA learners, we made the completion time of the VITARA Courses significantly more flexible and practical than ever before. Hence, all the courses will be accessible throughout the year after one single registration. This new development means that learners can register for the new courses anytime in the upcoming 12 months (but latest by March 4, 2024) and access the courses until April 15, 2024.

In the meantime, we are also delighted to share ***the launch of the first VITARA Reference Guide*** on Strategic Management and new translated courses in the VITARA portfolio.

The ***Reference Guide*** provides easy and free access to the content of the VITARA SM module, in addition, it focuses on how a tax administration can benefit from the application of strategic management: the process of setting long-term objectives, implementing initiatives to achieve them, and measuring their success. Strategic management is a critical planning, communication, and management discipline. A strategically managed tax administration is forward-looking and is equipped to respond to challenges arising from a continually changing external environment. In its five chapters, the guide highlights key concepts, processes, and good practices relating to the strategic management of a tax administration.

Vitara has launched 4 new translated modules as well, expanding its portfolio to 13 courses. The new courses about *Reform Management Fundamentals*, and *Reform Management Specific Topics* are accessible in Spanish and French translations, while the registration for the expanded VITARA Course Portfolio including the recently published Compliance Risk Management (CRM) module and the new courses are now re-launched and available for registration until March 2024. The four new translated modules are open until August and will be relaunched then until March 2024.

Reform Management Fundamentals:

The eight-hour-long self-paced course explains key concepts of reform management, the process of developing a tax administration reform program, the key management and governance arrangements of tax administration reforms as well as tax administration reform project management.

Reform Management Specific Topics:

This short self-paced course focuses on the implementation of reforms and introduces tools and methods in planning, monitoring and reporting tax administration reform programs, approaches to resource reforms and risk management, successful change management practices as well as the concept of post-implementation evaluation.

VITARA stands for Virtual Training to Advance Revenue Administration, and is a joint initiative of four organisations, Inter-American Center of Tax Administrations (CIAT), Intra-European Organisation of Tax Administrations (IOTA), International Monetary Fund (IMF), and Organisation for Economic Co-operation and Development (OECD). It was launched in 2020 to develop a highly effective, globally accessible, on-demand and free online curriculum on revenue administrative issues. The VITARA modules are introductory level modules and designed for busy professionals who wish to improve their skills in tax administration.

25.04.2023.

Workshop on Implementing a Commercial-Off-The-Shelf Taxation System

The Finnish Tax Administration (VERO) is happy to welcome you to a Workshop on Implementing a Commercial-Off-The-Shelf (COTS) Taxation System. VERO ran a major operations and application renewal programme during the years 2013-2019. The programme developed taxation processes and replaced over 70 legacy applications with a COTS tax software solution.

Due to the recent interest in our experiences, we have decided to organise a workshop on our COTS implementation on 13-14 September with a one-day plenary meeting on Wednesday and a possibility to have one-on-one discussions with VERO's experts and directors who have been involved in the implementation on Thursday.

Content of the workshop

The agenda for Day 1 includes the major elements of an IT renewal:

- reasons for the need of an IT renewal;
- procurements process;
- strategic management of the programme;
- how to prepare business and business processes to the renewal;
- project management;
- change management;
- data cleansing and migration and;

- long term relationship with the vender and lessons learned.

On Day 2 the participants are offered a possibility to book one-on-one meetings with VERO's experts and directors in order to discuss their specific needs and questions related to COTS process. This means that you will have an opportunity to have a private and confidential discussion on those issues, concerns or doubts you may have. You can make reservations for one or more one-on-one discussions on the registration form.

The registration deadline is **4 August 2023**.

28.04.2023.

IOTA Special Interest - Case Study Workshop on “Transfer Pricing Special Issues: Intangible Asset Value Creation/Determination”

On 25-27 April 2023, IOTA had the pleasure of hosting the Case Study Workshop on “Transfer Pricing Special Issues: Intangible Asset Value Creation/Determination” in Budapest, Hungary. As the first fully face-to-face technical activity of the year, the Case Study Workshop welcomed 47 tax officials from 27 IOTA member administrations to the event.



The concept of development, enhancement, maintenance, protection, and exploitation of intangibles (DEMPE) is designed to help both taxpayers (including Multi-National Entities) and tax authorities arrive at fair arm's length pricing for related party transactions involving intangibles. For this reason, it is very useful to share good practices, techniques, and methods used to apply and implement the DEMPE framework. The IOTA workshop brought together the latest member-country experiences, presented practical examples, and discussed challenges in assessing and determining the value of contributions to DEMPE functions

The focus of the Workshop was the presentation of a series of selected anonymized case studies from IOTA member tax administrations such as Belgium, Denmark, Ireland, Switzerland, and the United Kingdom. These have been designed to illustrate working methods used, challenges arising, and application of best practices in the approach of member tax administrations.

Each case presented during the Workshop was discussed by the participants in smaller breakout sessions in order to exchange their own views, ideas, and experiences regarding the application of DEMPE functions in the cases as well as proposing alternative potential approaches if applicable.

On the first day of the Workshop, Colin Miller, a Swedish representative (former HMRC tax official) opened the floor for discussions and gave valuable insights into the theoretical background of how transactions between related parties, concerning intangibles and the application of DEMPE functions, should be handled.

During the 3-day technical activity, the following IOTA countries brought challenging and thought-provoking case study presentations on the stage:

- Belgium: Bernard de Gottal & Laurent Portugaels;
- Denmark: Søren Beck & Kasper Bisgaard;
- Ireland: Patrick Buttimer & Richard Lombard;
- Switzerland: Nate Zahnd & Thibaut Urbain;
- United Kingdom: Paul Meagher

A special thanks goes out to the Belgian and Swiss delegations for making this Workshop sweeter with their delicious chocolates along with the Irish colleagues for their kind representative gift.

This Workshop was led by IOTA International Taxation Experts Alexandros Roukalis and Oksana Stepanenko.

16.05.2023.

IOTA Executive Secretary at the International Professional and Academic Conference of the NTCA and NUPS

On 3 May 2023, Alix Perrignon de Troyes, the Executive Secretary of IOTA, represented IOTA at the international professional and academic hybrid conference "Innovations in Public Administration - Big Data and Artificial Intelligence in Tax and Customs" organized by one of the founding members of IOTA, the Hungarian National Tax and Customs Administration, along with the National University of Public Service, in Budapest, Hungary.



The conference welcomed a large number of delegates from tax administrations, international organizations, and academia to discuss and assess the latest developments in the digital transformation of taxation and tax administrations.

As one of the opening speakers, Alix Perrignon de Troyes expressed her appreciation and gratitude to the National Tax and Customs Administration of Hungary for their strong and fruitful collaboration with IOTA and stressed the importance of using big data, as well as talking about the implementation of Artificial Intelligence (AI) together with its potential benefits and challenges for tax administrations.

Alix Perrignon de Troyes said "One of the greatest assets Tax Administrations have today is big data and the potential to analyse this data to streamline tax processes and improve tax compliance. Tax administrations, like all large organisations, accumulate enormous amounts of data. The ability to process and analyse this data generated through various sources such as taxpayers, intermediaries, platforms, third parties, digital transactions, social networks, and many other sources is crucial to tax administration operations. However, despite the fact that the importance of the use of big data in predictive analytics and modelling as a tool to increase revenue, detect fraud, and better manage detected tax risks is accepted, the implementation of data-driven intelligent solutions and the process of digitally transforming Tax Administrations can still be challenging".

She also talked about implementation of AI together with its potential benefits, saying "With the help of AI-powered algorithms, authorities can analyse data to improve their tax policies and identify anomalies that could indicate tax fraud, as they can also automate their taxpayer services. In recent years, many IOTA member tax authorities have successfully implemented AI-powered chatbots or virtual assistants that can answer basic tax-related questions from taxpayers. This system reduces the workload on tax authorities' staff and improves the efficiency of the tax administration process."

She pointed out that there are issues to address too, adding that "One of the biggest challenges is data privacy. Governments must ensure that the data collected from European taxpayers is protected and used only for legitimate purposes in compliance with the General Data Protection Regulation (GDPR)."

At the end of her remarks, Mrs. Perrignon de Troyes briefly mentioned the IOTA Work Programme, which offers collaborative activities that build on recent experiences and research to enhance the resilience of IOTA members against future crises and strengthen their digitalisation efforts. Large-scale digital transformations unquestionably require comprehensive multilateral cooperation, and with more than 25 years of experience IOTA provides an excellent platform for its members to share good practice along with the lessons they have learned along the way.

She also took the opportunity to draw the audience's attention to the IOTA's flagship event, the 27th General Assembly in Tbilisi, Georgia, from 27-29 June 2023. The main theme this year is "Transformation of International Tax System and Tax Administrations." During the Technical Session of the event, IOTA will focus on the changes in international law, technology, and business models that are causing unprecedented challenges to Tax Administrations as they adapt to the digital world.

18.05.2023.

IOTA Webinar on Optimization of Tax Declaration Processes for Individuals



On 17 May 2023, IOTA accomplished another impressive digital event. The Webinar on "Optimisation of Tax Declaration Processes for Individuals" welcomed a distinguished group of speakers from IOTA member administrations such as Estonia, Finland, Greece, and Italy along with a large number of attendees in the virtual space. This event brought together over 100 tax officials from 26 IOTA member administrations, who had the opportunity to learn

about the latest experiences, share best practices and deepen their knowledge of tax declaration processes for individuals, as well as build a valuable network during the IOTA Webinar.

Over the last decade, the concept of pre-filing of tax declarations for individuals has significantly simplified and improved the process of filing and declaring personal income tax and the overall process of managing its assessment, payment, and collection.

Tax administrations continuously strive to improve and optimise the process as also automate the procedures and data exchange, making it better and more effective for the clients and the tax officials who are dealing with it.

This IOTA webinar explored new methods for optimisation and streamlining the tax declarations processes for individuals by identifying the latest digital solutions that IOTA member tax administrations are using for the pre-filing of income tax and social contributions declaration forms, including the communication channels and types of prefilled information.

The following IOTA member tax administrations reflected on the topic with their engaging presentations:

- **Estonia:** "Optimisation of Tax Declaration Processes for Individuals in Estonia" presented by Annika Oja;
- **Italy:** "Pre-filled personal income tax returns: an important challenge for Italy" presented by Vincenzo Papaccioli
- **Greece:** "Pre-filing of income tax declaration forms" presented by Elissavet Forouli;
- **Finland:** "Pre-completed Tax Return in Finland" presented by Johanna Korhonen

Webinar participants could raise questions during the Q&A session, as they also shared their views and reflected on the poll questions during the digital event. All the materials and presentations are now available, while the event recording will be provided soon on the [event's webpage](#). This webinar was moderated by IOTA International Taxation Experts Massimo Morarelli & Eugenijus Soldatkovas and was broadcast live from the IOTA Studio in Budapest, Hungary.

31.05.2023.



IOTA Webinar on Use of Big Data and the Deployment of Analytics

On 31 May 2023, IOTA successfully broadcast another Webinar, this time on "Use of Big Data and the Deployment of Analytics". Over 240 participants from 30 IOTA member tax administrations gathered in the virtual space in order to learn about recent developments in the use of big data and about the use of different analytical models used to tackle non-compliance.

One of the greatest assets tax administrations have today is big data and the potential to analyse this data to streamline tax processes and improve tax compliance. This digital event explored the recent experiences of IOTA member tax administrations in Belgium, Georgia, France, and Italy when combining big data with advanced analytics technologies and the outcomes of their work.

At the Webinar, the following subjects were covered:

- **Belgium:** "Exploring the Potential of Graph Neural Networks for Fiscal Fraud Detection in Business Management Databases" presented by *Alexandre Roldan Lopez*;
- **Italy:** "The Italian Revenue Agency approach to social network analysis" presented by *Claudio Amico*;
- **Georgia:** "Use of big data to predict filing liability and support on-time filing" presented by *Elguja Loliashvili*;
- **France:** "The French administration's approach to different types of AI projects" presented by *Joseph Gesnouin*

Webinar participants were actively involved and raised numerous questions in the Q&A session, as they also shared their views and reflected on the poll questions during the digital event. This webinar was moderated by IOTA International Taxation Expert Jonathan Heath, supported by the IOTA Work Programme Manager Eugenijus Soldatkovas, and was broadcast live from the IOTA Studio in Budapest, Hungary.

07.06.2023.

IOTA Webinar – Video Event "Promoting Employee Well-Being"

On 7 June 2023, IOTA had the pleasure of organising another fruitful Webinar on "Promoting Employee Well-Being". Over 100 participants from 29 IOTA member tax administrations joined the online video event as we also welcomed guests from our international partner organisation, the *OECD Forum on Tax Administration* which was represented by its members of the *Community of Interest on HR*.



Human capital plays a central role in the success and sustainability of a tax administration. In most IOTA member tax administrations, hybrid working is a new reality, therefore promoting people-centric organisational culture is becoming more important. Employee well-being is one of the key pillars of this approach. Poor physical health, and mental health issues such as anxiety, depression, burnout, and toxic workplace culture can cause serious harm to the overall health of an organisation. With this in mind, managers and team leaders need to keep a finger on the pulse of their team's well-being, mental health, and internal relationships and take respective actions if any issues arise.

As a further development of a former topic "Promoting Employee Well-being during Remote Working", this year's video event aimed at helping HR departments of IOTA member tax administrations to learn about best practices in exploring and supporting all aspects of employee well-being: physical, mental, social, professional, and financial. The main objectives of this digital activity were to share country examples of initiatives taken to promote employee well-being and explore strategies that IOTA member tax administrations apply to address the needs of their employees' well-being. The Webinar also revealed

some practical examples of how IOTA administrations measure different aspects of employee well-being as well as shared lessons learned, and plans for the future.

At the video event, the country presentations were delivered in the format of pre-recorded videos, while the designated speakers from IOTA member tax administrations were available to elaborate and address the questions regarding their video presentations.

The following IOTA member countries shared their latest experiences on the topic:

- **Belgium:** *"Employee Wellbeing Initiatives in the Federal Public Service Finances of Belgium"* presented by Caro D'Hoe;
- **Finland:** *"Building better together: Unleashing the Power of work communities in the hybrid work era with work community development at the Finnish Tax Administration"* presented by Heidi Swanljung and Johanna Waal
- **Greece:** *"Promoting employee well-being in IAPR: evidence from activities organized by the Tax and Customs Academy"* presented by Panagiotis Ballas
- **Ireland:** *"Revenues Commissioner's Well-being Initiatives"* presented by David Hanlon
- **Romania:** *"The retrospective of our pandemic experience and the lessons we learned"* presented by Corina Marcu and Sabina Bendas
- **Spain:** *"Experiences in improving well-being at the AEAT"* presented by Juan Murillo Murillo
- **the United Kingdom:** *"Promoting colleague wellbeing in HM Revenue and Customs"* presented by Joanne Garland

Webinar participants were actively involved and raised numerous questions in the Q&A session, as they also shared their views and reflected on the poll questions during the digital event. This webinar was moderated by the IOTA International Taxation Expert Oksana Stepanenko, supported by the IOTA Communication Specialist Erika Szabó, and was broadcast live from the IOTA Studio in Budapest, Hungary.