



46ª ASAMBLEA GENERAL

CIAT 2012

CHILE

April, 23 – 26, 2012

“IMPROVING THE PERFORMANCE OF THE TAX ADMINISTRATION:
EVASION CONTROL AND TAXPAYER ASSISTANCE”

PROGRAM



About CIAT

CIAT is a public, nonprofit international organization established in 1967, with the mission of providing an integral service for the modernization, strengthening and technical development of the Tax Administrations of its member countries. Its membership currently consists of 40 member and associate member countries from four continents: 31 countries from the Americas, six from Europe, two from Africa and one from Asia. India, the Czech Republic and South Africa are associate member countries.

The Web site: www.ciat.org includes information of a technical and institutional nature, as well as on the various activities carried out such as international meetings, tax studies, publications, training, technical assistance and information technology.

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Head of Mission: Luis Cremades Ugarte

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Head of Mission: Isabelle Gaetan

MAIN THEME:

IMPROVING THE PERFORMANCE OF THE TAX ADMINISTRATION: EVASION CONTROL AND TAXPAYER ASSISTANCE

Currently, tax administrations are attributing ever greater importance to improving their levels of efficiency in relation to two of its essential functions, namely: control and taxpayer assistance.

The world economic crisis, which has affected every country to a greater or lesser extent, has exercised great pressure on tax organizations urging them to achieve greater and better results for relieving the economic difficulties faced by governments.

The main theme of the Assembly will analyze the alternatives being implemented by the countries to combat evasion and improve taxpayer assistance, it being understood that, today more than ever, voluntary compliance must continue to be promoted, while at the same time exercising more effective, innovative and specialized controls that may allow for expanding the tax base and increasing collection.

To this end, technology, much in the same way as it has been for many years, continues to be for the tax administrations the essential support tool, along with the design and application of methodologies for measuring income tax and VAT evasion. It is not only a matter of reliably quantifying the latter, but of obtaining detailed information on the main sources of noncompliance, their modus operandi and on that basis, begin scheduling better oriented and successful control actions.

TOPIC 1.THE USE OF INFORMATION AND COMMUNICATION TECHNOLOGIES TO IMPROVE PERFORMANCE AND FACILITATE COMPLIANCE

Information technologies are an important support to all of the tax administrations' working spheres. In particular, efforts have been devoted to developing or implementing and adjusting programs for intensifying and fine tuning control actions, as well as increasing and improving taxpayer services.

It is important to be aware of how ICTs have contributed and continue to improve control and facilitate compliance through their own developments, outsourcing or the combination of both modalities, in such aspects as security, support, contingency plans, reliability of information received and sent to the administration as well as the taxpayers, their processing as well as management.

1.1. E-FACILITATION OF COMPLIANCE

Taxpayer services provided via Internet are an ever more important factor in simultaneously promoting voluntary compliance and creating subjective risk. Therefore, it is necessary to introduce and improve the services offered to the taxpayer. These include the development of applications which by means of the technologies may improve the processes and provide a better service. Some examples are: the electronic invoice, tax refunds, the tax return prepared by the administration, appeals and administrative procedures, requests and sending of information and on-line examination, among others.

1.2. E-CONTROL OF NONCOMPLIANCE

Massive crosschecks are an essential tool for examining noncompliance with VAT and individual and corporate income tax. This involves aspects dealing with VAT control through purchase and sales records; information regarding the change of taxpayers; the control of exporters and third party information, especially in relation to income tax, among others.

1.3. E-COOPERATION

Information technologies that may allow information exchange between national and international entities. The development of computerized programs that may facilitate the exchange of information at the level of countries and national entities is a fundamental control basis. Some of the issues to be analyzed involve the characteristics of those electronic formats that may not only facilitate information exchange, but that may allow systematization as regards internal taxes and customs duties, the advantages, conditions and results achieved.

TOPIC 2. SATISFACTION AND QUALITY OF SERVICE PROVIDED BY THE TAX ADMINISTRATION TO THE TAXPAYER

2.1. MECHANISMS FOR MEASURING THE QUALITY OF SERVICE PROVIDED TO THE TAXPAYER AND RESULTS ACHIEVED

Currently there is a variety of services available which even though they are a great step forward in assistance actions, there is also concern with respect to their quality. Given the increasing demand by taxpayers and citizens in general for greater and better services, it is important to evaluate the existing ones, in order to improve, reconsider or substitute them with others of greater quality and effectiveness. In the presentation of this case, it is important to consider the existing measurement mechanisms, the periodicity with which they are applied, the results achieved and adjustment plans as an outcome of the administration's operation.

2.2. MECHANISMS IMPLEMENTED FOR ASSISTING TAXPAYERS IN REMOTE GEOGRAPHICAL AREAS

The outsourcing of collection services, in particular, led to the elimination of offices by many tax administrations in most medium and small towns, in order to focus on the control, collection and assessment functions, for example. However, the tax administration's presence in these geographical areas has recovered importance, with a view to assisting those residents who face difficulties in accessing information and service, either because of insufficient road and telecommunications infrastructure or coverage restrictions. It is thus important to analyze the mechanisms used for assisting those taxpayers, the cost-benefit relationship, the proposed objectives and results achieved.

2.3. STRATEGIES AIMED AT IMPROVING THE QUALITY OF THE SERVICE

Topic 2.1 discusses the mechanisms for measuring the quality of services rendered to the taxpayer. After achieving these results or determining that it is necessary to improve the quality of the service, which are the strategies developed for increasing the levels of satisfaction and effectiveness of those services? Who is responsible for their implementation? How are they reviewed and how frequently?

TOPIC 3. MEASUREMENT OF VAT AND INCOME TAX EVASION BY PERSONAL AND CORPORATE TAXPAYERS

The measurement of VAT and income tax evasion is essential for determining the tax administration's control actions. However, there are varying positions in relation to this issue, mainly because of the interpretation of results achieved from the information sources used and the greater or lesser consideration of variables that may impact them.

Currently the tax administrations are challenged with delivering reliable results with respect to whatever may represent evasion, especially at a time when the administration's role as collecting entity is more crucial than ever. The dissemination of such results to society as supervisor of the State's function acquires greater relevance when compared to past periods when the amounts were unknown and likewise, no credible periodic measurements were carried out.

3.1. METHODOLOGIES FOR ESTIMATING INCOME TAX AND VAT EVASION

The methodologies used, in particular, have been the subject of controversy throughout the years. There is no agreement as to which could be the best methodologies and especially the information source used for undertaking the corresponding estimates. Different factors are specifically taken into account in the case of VAT and income tax and in turn, in the latter's case, the situation is not the same when referring to individuals and corporations or businesses.

The methodologies applied and pros and cons of each of them, the information sources used and results expected are among the aspects to be considered in this case study.

3.3. DESIGN OF PLANS FOR CONTROLLING EVASION AND INDICATORS OF MANAGEMENT RESULTS

As seen in the previous topics, in measuring evasion one must determine its causes; identify the evaders and provide important information on inappropriate behaviors in order to design more efficient and effective control plans. Likewise, the design of management indicators and their application constitute the tool for measuring the success of the plans or identifying the adjustment, modification or correction needed.

Monday, April 23

MORNING

08:45 - 09:30 Inaugural ceremony

Coffee break

Topic 1

The use of Information and Communication Technologies to improve Performance and facilitate Compliance

Moderator: Carlos Marx Carrasco, General Director,
Internal Revenue Service, Ecuador

09:30 - 10:00 *Speaker:* Julio Pereira Gandarillas, Director
Internal Revenue Service, Chile (30')

10:00 - 10:10 *Commentator:* John Njiraini, Commissioner General,
Kenya Revenue Authority, (10')

10:10 - 10:30 Discussion (20')

Country Case 1.1

e-Facilitation of Compliance: Taxpayer services via Internet

Moderator: Oscar Funes, Superintendent of Tax Administration, Guatemala

10:30 - 10:50 *Speaker:* Beatriz Gloria Viana Miguel, General Director,
State Agency of Tax Administration, Spain (20')

10:50 - 11:10 *Speaker:* Sue Wormington, Director General, Horizontal Integration Division ,
Canada Revenue Agency (20')

11:10 - 11:30 *Speaker:* Alain Lelouey, Head of the Copernic IT Program,
General Directorate of Public Finances, France (20')

11:30 - 12:10 Discussion (40')

Country Case 1.2

e-Control of noncompliance

Moderator: Roberto Ugarte, Acting Executive Chairman,
National Tax Service, Bolivia

12:10 - 12:30 *Speaker:* Germania Montás, Deputy Director General,
General Director of Internal Taxes, Dominican Republic (20')

12:30 - 12:50 *Speaker:* Marian Bette, Senior Policy Advisor,
Tax and Customs Administration, The Netherlands (20')

12:50 - 13:10 *Speaker:* Julio Pereira Gandarillas, Director,
Internal Revenue Service, Chile (20')

13:10 - 13:50 Discussion (40')

13:50 - 15:00 Lunch

AFTERNOON

General Assembly Administrative Session:

For representatives of CIAT member countries only

Tuesday, April 24

MORNING		
Country Case 1.3	e-Cooperation: Information technologies that may allow for exchanging information between national and international entities	
	Moderator:	Gerónimo Bellassai, Vice-Minister of Taxation, State Undersecretariat of Taxation, Paraguay
09:00 - 09:20	Speaker:	Ms. Nicola Ardito, Tax Administration and Fight Against Fiscal Fraud, Directorate General for Taxation and the Customs Union, European Commission (20´)
09:20 - 09:40	Speaker:	Carlos Alberto Barreto, Secretary, Secretariat of Federal Revenues of Brazil (20´)
09:40 - 10:00	Speaker:	Sergio Mujica, Deputy Secretary General, World Customs Organization-WCO (20´)
10:00 - 10:30	Discussion (30´)	
10:30 - 10:50	Coffee break	
10:50 - 12:20	PANEL 1	KEY ASPECTS IN COMMUNICATION AND TAXPAYER SERVICES: Which are the minimum services that should be provided via Internet; which ones should be provided on line, which ones through the communication media?
	Moderator:	Raúl Zambrano, Technical Assistance and Information and Communications Technology, Director, CIAT
	Participants:	Canada, Costa Rica, Guatemala, Spain
Multilateral Convention on Mutual Administrative Assistance in Tax Matters		
12:20 - 12:50	Speaker:	Pascal Saint-Amans OECD (30´)
12:50 - 13:00	Commentator:	Socorro Velazquez CIAT (10´)
13:00 - 13:20	Discussion (20´)	
AFTERNOON		

Integration Afternoon (Lunch included)

Wednesday, April 25

MORNING	
Topic 2	Satisfaction and Quality of Service provided by the tax administration to the taxpayer
Country Case 2.1	Mechanisms for measuring the Quality of Service provided to the taxpayer and results achieved
	<i>Moderator:</i> Rosario Massino, Head of International Cooperation Office, <i>Guardia di Finanza</i> , Italy
09:00 - 09:20	<i>Speaker:</i> Vilhelm Andersson, Deputy Director General, <i>Swedish Tax Agency</i> (20')
09:20 - 09:40	Discussion (20')
Country Case 2.2	Mechanisms implemented for assisting taxpayers in remote geographical areas
	<i>Moderator:</i> Pablo Ferreri, Director General of Revenue, <i>General Directorate of Taxation</i> , Uruguay
09:40 - 10:00	<i>Speaker:</i> Raju Budhia, Group Manager, Corporate Risk and Assurance, <i>Inland Revenue</i> , New Zealand (20')
10:00 - 10:20	<i>Speaker:</i> Carlos Marx Carrasco, General Director, <i>Internal Revenue Service</i> , Ecuador (20')
10:20 - 10:50	Coffee break
10:50 - 11:30	Discussion (40')
Country Case 2.3	Strategies aimed at improving the Quality of the Service
	<i>Moderator:</i> Martin Cox, Permanent Secretary of Finance, <i>Ministry of Finance and Economic Affairs</i> , Barbados
11:30 - 11:50	<i>Speaker:</i> Douglas O'Donnell, Assistant Deputy Commissioner <i>IRS</i> , U.S.A. (20')
11:50 - 12:10	<i>Speaker:</i> José Antonio de Azevedo Pereira, Director General of Revenue, <i>Tax Customs Authority</i> , Portugal (20')
12:10 - 12:50	Discussion (40')
12:50 - 14:15	Lunch

AFTERNOON		
14:15 - 15:10	PANEL 2	ADVANTAGES AND DISADVANTAGES OF MEASURING THE QUALITY OF SERVICE PROVIDED TO THE TAXPAYERS: ¿What methodology should be used, how often should it be done? Dissemination of results and actions to be undertaken
	Moderator:	María Raquel Ayala CIAT
	Participants:	Ecuador, Spain, New Zealand, USA
Topic 3	Measurement of VAT and Income Tax evasion by individual and corporate taxpayers	
	Moderator:	Deokie Hosein, Acting Chairman, Board of Inland Revenue, Trinidad & Tobago
15:10 - 15:40	Speaker:	Julio Pereira Gandarillas, Director, Internal Revenue Service, Chile (30')
15:40 - 15:50	Commentator:	Promila Bhardwaj, Director General, Department of Income Tax, Ministry of Finance, India (10')
15:50 - 16:30	Discussion (40')	
16:30 - 16:55	Coffee break	
16:55 - 17:30	Participation of the Minister of Finance of Chile, Dr. Felipe Larraín Bascuñán	

Thursday, April 26

MORNING		
Country Case 3.1	Methodologies for estimating income tax and VAT evasion	
	Moderator:	Julio Pereira Gandarillas, Director, Internal Revenue Service, Chile
09:00 - 09:20	Speaker:	Miguel Pecho – Director, Tax Studies and Research, CIAT (20’)
09:20 - 09:40	Speaker:	Fernando Vidal Flecha Arrua, General Director of Tax Examination, Paraguay (20’)
09:40 - 10:00	Speaker:	Juan Pablo Jiménez, Economic Affairs Officer, ECLAC (20’)
10:00 - 10:40	Discussion (40’)	
10:40 - 11:00	Coffee break	
Country Case 3.3	Design of plans for controlling evasion and indicators of management results	
	Moderator:	Khurshid Sattaur, Commissioner General, Guyana Revenue Authority
11:00 - 11:20	Speaker:	Carlos Sánchez, Director General, Social Security Resources, Federal Administration of Public Revenues, Argentina (20’)
11:20 - 11:40	Speaker:	Juan Ricardo Ortega, General Director, Tax and Customs Directorate, Colombia (20’)
11:40 - 12:10	Discussion (30’)	
12:10 - 13:30	Lunch	
AFTERNOON		
13:30 - 14:30	PANEL 3	THE METHODOLOGIES FOR MEASURING EVASION AND THE DESIGN OF CONTROL PROGRAMS: Pros and cons. Fundamental agreements and structural disagreements
	Moderator:	Miguel Pecho CIAT
	Participants:	Chile, Dominican Republic, IDB, Peru
14:30 - 15:30	Presentation of CIAT / IADB / CAPTAC-DR Project on “The State of the Latin American Tax Administrations”	
15:30 - 15:50	Discussion (20’)	
15:50 - 16:10	Coffee break	
CLOSING SESSION		
16:10 - 16:20	Evaluation of event	
16:20 - 16:50	Final Considerations: Jeffrey Owens	
16:50 - 17:20	Closing Ceremony	