

# BRITACOM High-Level Conference

Session 4: Exchange Views on How Tax Digitalization Serves National Governance

Prof. Christian Kaeser



**“I’m often asked, where does the future of Siemens lie? And my answer is always: In success! But if I had to name any one field where we absolutely have to win, it would be digital industry.**

**We’re the only company in the world that can create complete digital twins of products and of all factory processes.**

**In the digital industrial world, there’ll be a digital twin for every real thing, and all things will be connected and able to communicate...”**

**Joe Kaeser**

**President and CEO, Siemens AG**

# Big Data – from an administrations perspective

- Data becomes and is already a key element for designing and implementing public policies.
- Use of “big data” and data analytics could assist in efficient decision making and improve public policies.
- Tax administrations receive vast amounts of data on a regular basis through direct taxpayer reporting (eg e-invoicing information and the filing of tax returns), financial institutions or employers.
- As a result, many tax administrations have large possibilities for analysing statistical data.
- Revenue and income information can be very useful in times of crisis such as the COVID-19 pandemic, eg to determine legibility of COVID-19-related benefit or support.
- Tax administrations may be asked to share information in a timely manner with other government agencies to help make informed decisions .
- Analysing existing data, such as e-invoicing information and VAT returns can be useful in producing statistical data on the COVID-19 impact of the economy and identify areas where additional support is needed to help support economic recovery .

# Digital Tax systems – From a business perspective 1

**SIEMENS**

*Ingenuity for life*

- A good tax system is one which minimises administrative, compliance and distortion costs to the economy.
- A key feature of a good tax administration is a sound information system, including adoption and application of the system that builds confidence for taxpayers and improves compliance.
- Principles to consider to ensure maximum benefits of systems for both the private and public sectors:

## Efficiency:

- ***Provide “data only once” principle***
- ***Consistency***
- ***Interoperability***
- ***Standardisation***
- ***Robustness and continuity***

## Balance:

Digital systems should be designed and operated in a way that considers the need for balance between the legitimate interests of governments and businesses:

- ***Economic benefits***
- ***Encourage automation***
- ***Flexibility***
- ***Proportionality***
- **Consultation with business & appropriate lead time**