



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

The 2nd Conference of Belt and Road Initiative Tax Administration Cooperation Forum

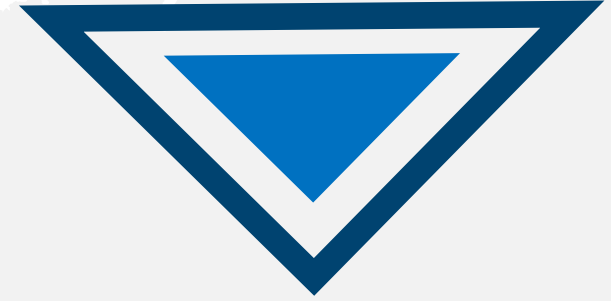
Digitalization of Tax Administration

Business and Industry Tax Dialogue

9 September 2021



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT



ICC Report: Digitalization of Tax Administrations: A Business Perspective (2021)

*Presentation by Dr Christian Kaeser,
Chairman, ICC Commission on Taxation,
Global Head of Tax, Siemens AG*



CONTENTS

- BACKGROUND
 - Digital transformation + tax admin
 - COVID-19 implications
 - Remote working & changes
- KEY FEATURES & CONSIDERATIONS
- CONCLUDING REMARKS



THE DIGITAL TRANSFORMATION

Digitalization of society is taking place at unprecedented speed impacting all spectrums of life:

- Communication
- Commerce
- Business systems processes
- Government compliance procedures



...including TAX ADMINISTRATIONS!



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TAX AUTHORITIES



01

To adapt their revenue collection models to a global economy based on digital technologies

02

To digitalize their processes to enhance effectiveness and efficiency

03

To ensure a smooth digital environment for taxpayers and tax administrations

Creates interesting challenges where complex business systems and processes need to adapt to ICT systems designed by the public sector.



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1

60 % of tax administrations considered changes to the strategies regarding the digitalization of tax administration



2

Digitalization has been key regarding real time monitoring of COVID-19 assistance measures – availability of real time data

Focus on automation, digitalization and electronic services // creation of cloud systems and digital service offices

3

Replacement of in-person and paper communication



Transition to remote working for taxpayer & tax administrations



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Advantages

Improved work-life balance

Enhanced resilience

Cost reductions

REMOTE WORKING

Key must-haves

- Software which provides a secure connection between the employee's home and the tax administration
- User-friendly digital platforms for filing and communication
- Information systems able to efficiently deal with data collection and processing

For business, information security, data protection and privacy is imperative

Drawbacks

Greater risk of exposure of confidential information

Vulnerability to theft of equipment and information

Possibility that external individuals may have access to confidential taxpayer information



KEY FEATURES & CONSIDERATIONS



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Principles for digitalization

Good Administration = Sound Information System

EFFICIENCY

BALANCE

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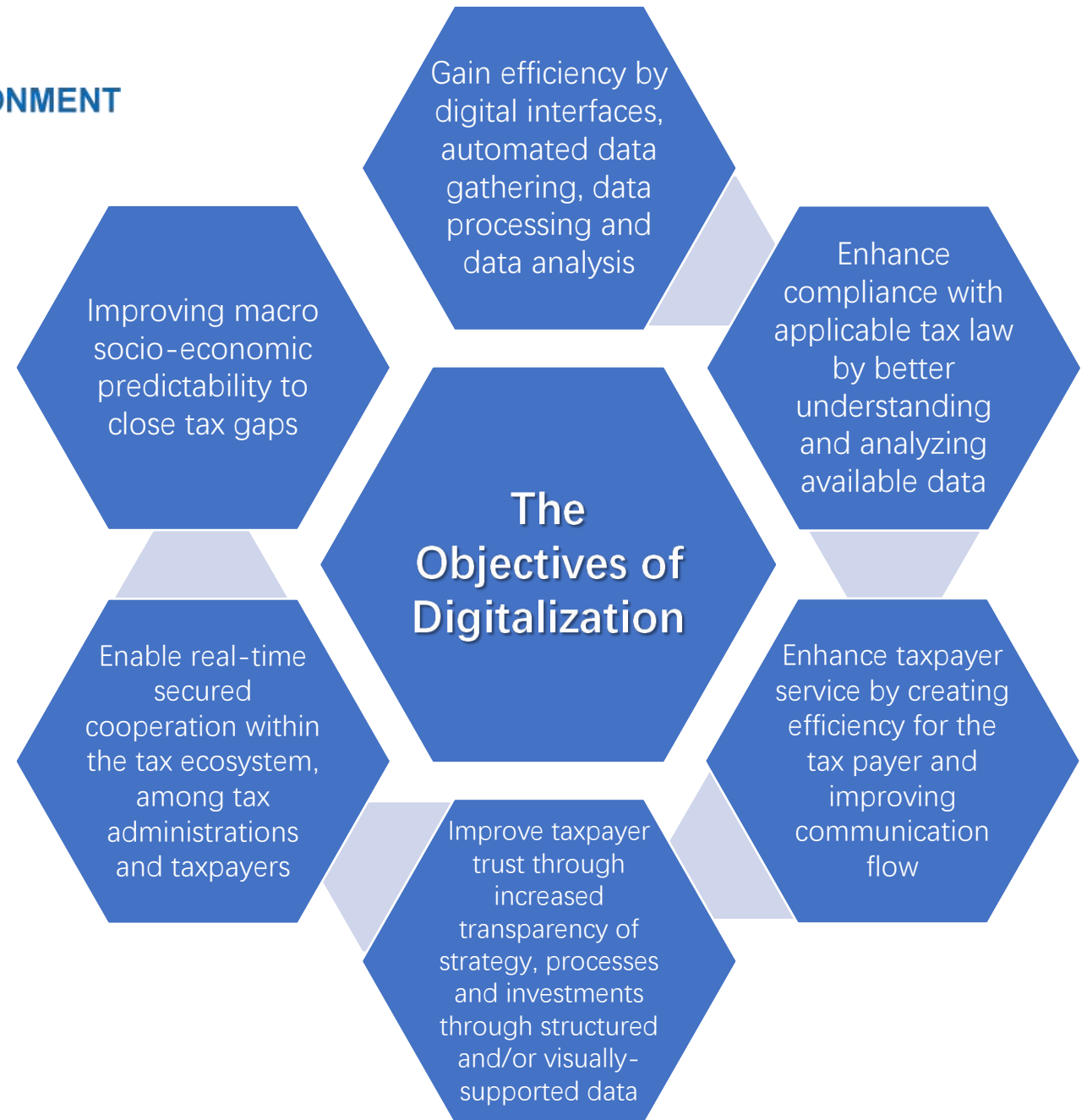
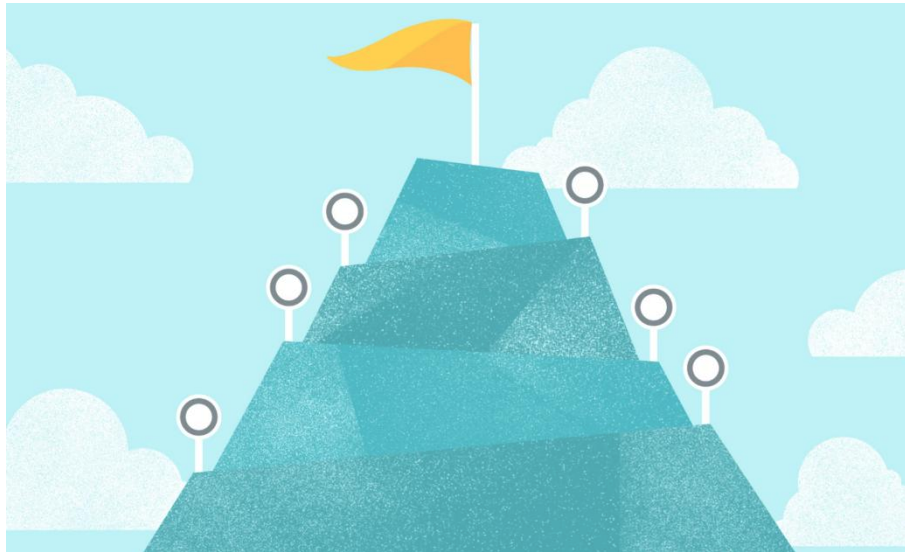
- 'Provide data only once' principle
- Consistency
- Interoperability
- Harmonization
- Robustness and continuity

Principles to ensure maximum benefits of systems for both the private and public sectors

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

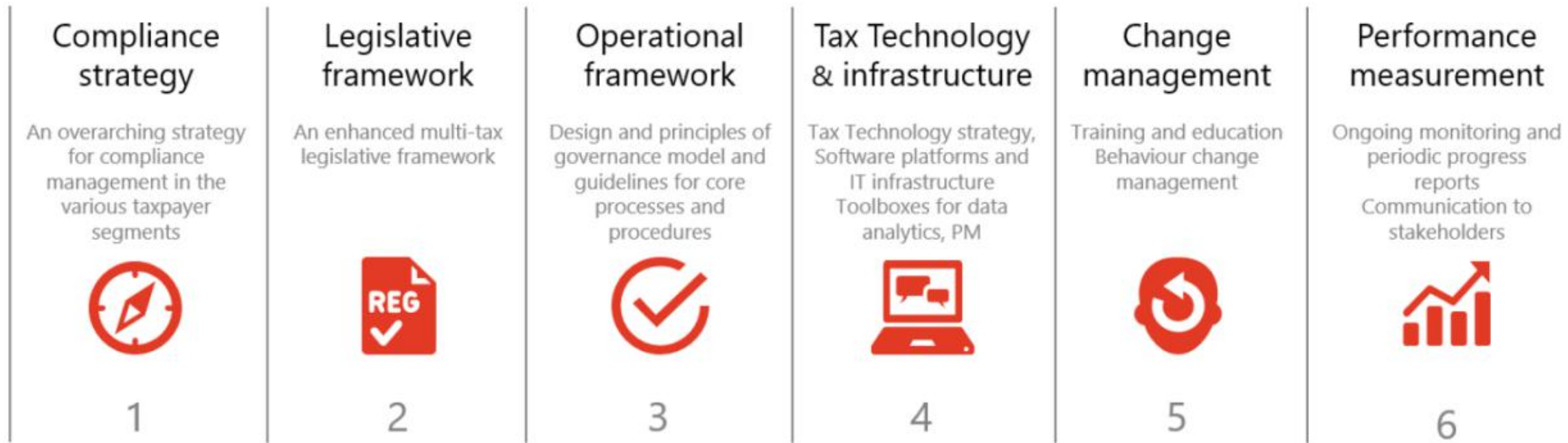


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Key components of a successful digital transformation





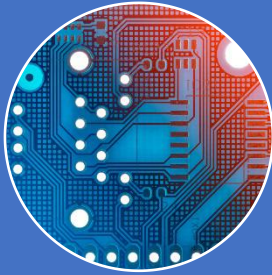
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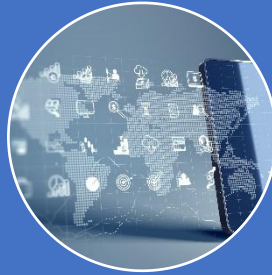
Pre-requisites from a business perspective



Data security



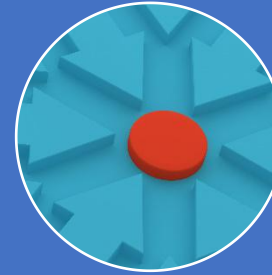
Systems
requirements



Data
availability



Reasonable
use of data



Transparency



Taxpayers'
identity



Consistency





Benefits from efficient digitalization of tax administrations



Benefits for Taxpayers	Benefits for Tax, Finance and Customs agencies
<ul style="list-style-type: none">○ Enable 365 24/7 self services and quick access to relevant information○ Know their tax position (personal, VAT, business, etc.) and regulations and initiatives that affect them○ Make it easier to register, pay, receive notifications, and comply○ Process quicker tax refunds by leveraging automation of processes	<ul style="list-style-type: none">○ Receive more information on taxpayers; gain insights to offer more targeted citizen services○ Enable greater transparency: where revenues are invested as well as their impact○ Implement automated fraud prediction and prevention models○ Leverage intelligence to impact country priorities and create intelligent policies○ Allow taxpayers to take control of monitoring basic compliance requirements



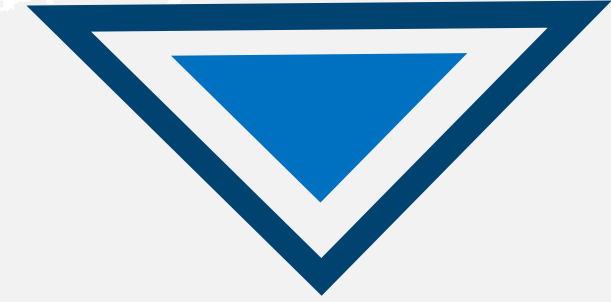
CONCLUDING REMARKS

ICC supports continued efforts to ensure that digitalization enhances efficiency and effectiveness of processes for both businesses and tax administrations.

Closer collaboration with all stakeholders, and the consideration and application of key principles in digitalization strategies and processes, will help ensure that these systems are a benefit, and not a hindrance, to business activities and government operations.



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THANK YOU