



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

# The 4th Belt and Road Initiative Tax Administration Cooperation Forum

— Improving Tax Environment

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# Organizing the process of disputes



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# Presentation based on:





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### TYPES OF DISPUTES



- 「01」 Receiving appeal
- 「02」 Processing appeal
- 「03」 Re-assessment procedure
- 「04」 Communication with taxpayer-  
different channels
- 「05」 Taxpayer (dis-) or agrees
- 「06」 Taxpayer appeals again – higher  
level → repetition of process



# Dispute processes

- 「01」 First assessor (independent?)
- 「02」 Second or independent assessor
- 「03」 Separate appeal department
- 「04」 Ombudsman
- 「05」 Courts

1. Increasing process time
2. Transfer of files
3. Multiple officers involved
4. Risk of mistakes



# Disputes and levels



## Production and Process time

	Production time	Process time	
Automatic assessment	Seconds	Seconds	
Automatic assessment with some checks	Minutes	Minutes	
Assessment with desk review	Hours	Days	
Assessment with interviewing taxpayer	Day	More days	
Field audit SME	3-5 Days	2-3 weeks	
Dispute	Weeks	Months	



### Self Assessment

Reducing risks and more ownership taxpayer



### Pre-populated tax returns

Sharing information at the beginning reduces disputes



### Third party information

Data exchange with employers, banks, other public services



### Communication

Information and education through many channels



### Organising the dispute channel to courts

Follow notice, case selection for legal ruling



### Cooperative compliance

- Knowing the business, rely on admin, future agreements





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**Inflation and  
interest aspects**



**Succession issues  
and increasing  
process time, what  
leads to higher  
administrative  
costs and  
compliance costs  
Finally also  
collection issues**



**Long process time  
undermines trust  
among taxpayers  
Dispute handled in  
< 3 months- 40% in  
favor TP  
If > 6 months 90%  
in favor TP**



**It is all about timely  
communication  
with taxpayer  
and/or tax advisor**



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