TSPP 12

Guide Tax-Related Professional Service Institutions to Practice in Compliance

【Overview of Taxpayer Services for Tax-Related Professional Service Institutions】

I. Concept and Characteristics of Tax-Related Professional Services

A. Concept of Tax-Related Professional Services

Tax-related professional services refers to services provided by tax-related professional service institutions — such as tax agent firms, accounting firms, law firms, bookkeeping agencies, tax agency companies, fiscal and tax advisory firms, and other institutions and their staff engaged in tax-related professional services — which, upon voluntary engagement by taxpayers, apply their expertise in fiscal and tax matters, policy analysis skills, and practical operational capabilities to provide specialized services such as tax agency, tax advisory, tax-related authentication, and tax compliance planning on various tax-related matters for their clients. They serve as a professional intermediary bridge within the tax governance system, linking the tax authority side and the taxpayer side.

B. Characteristics of Tax-Related Professional Services

1. Impartiality in Practice. As third-party intermediaries connecting tax authorities and taxpayers, tax-related professional service institutions operate independently of the inherent interests of both parties, serving as a vital link in maintaining order in tax collection and administration. When conducting tax-related business, practitioners must strictly adhere to tax law standards and uphold the principle of objectivity and neutrality. Impartiality is the bedrock upon which the profession survives and develops, and serves as the fundamental prerequisite for tax-related professional service institutions to play their role in tax co-governance.

2. Voluntariness of Engagement. In tax-related professional services, the principal may independently decide whether to procure tax-related services and may freely choose a compliant tax-related professional service institution. From the service provider's perspective, a tax-related professional service institution is entitled to independently decide whether to accept or decline an engagement based on its own scope of business and risk tolerance. There is no case of administrative mandatory contracting, and neither party may use administrative advantage, commercial coercion, or similar means to compel the other party into a service relationship.

3. Remuneration for Services. Tax-related professional services are specialized commercial services produced by the market economy, embodying both public tax governance value and market-oriented operational attributes. On the basis of strictly observing legal boundaries, fulfilling social responsibilities, and contributing to standardized tax management, tax-related professional service institutions charge reasonable service fees through market-based pricing rules. The remuneration attribute delineates the boundary between tax-related professional services and the pro bono taxpayer services provided by tax authorities, and is an important safeguard for the market-oriented and sustainable development of the profession.

4. Independence in Practice. Tax-related professional service institutions independently carry out their business within the scope of their engagement authorization in accordance with the law. Their practice is not subject to unlawful interference by tax authorities, other social organizations, or unrelated third parties. In handling business, the current tax laws and regulations shall serve as the sole benchmark. Relying on their own professional competence, practitioners independently assess tax-related matters and issue practice conclusions, thereby assisting market entities in fulfilling their tax obligations in accordance with the law while safeguarding the lawful rights and interests of taxpayers and ensuring that the spirit of tax legislation is implemented.

5. Professional Expertise in Practice. Tax-related professional service practitioners must undergo systematic professional education, practicing qualification examinations, and ongoing continuing training, keeping abreast of changes in fiscal and tax laws and regulations as well as tax administration practices, and skillfully integrating cross-disciplinary knowledge in accounting, tax law, and economic law. In practice, they draw upon professional experience to exercise sound professional judgment, accurately handle complex tax-related matters, and rely on standardized, specialized services to meet the diverse tax-related needs of all types of market entities.

II. The Necessity of Strengthening the Management and Service of Tax-Related Professional Service Institutions

Tax-related professional service institutions are an integral part of the modern tax governance system. As an important bridge connecting taxpayers and tax authorities, the compliance and professionalism of their practice have a direct bearing on the protection of national tax interests, the safeguarding of taxpayers' lawful rights and interests, and the efficient operation of the tax administration system.

A. The Position and Role of Tax-Related Professional Services

1. Enhancing Societal Tax Compliance. As independent third-party intermediaries, tax-related professional service institutions leverage their professional fiscal and tax knowledge and practical competence to help market entities accurately understand tax policies and handle tax-related matters in a standardized manner, efficiently resolving tax compliance difficulties. At the same time, professional service institutions use their objective and impartial practice stance to constrain and regulate the tax-related conduct of both tax collectors and taxpayers, ensuring that tax laws are implemented and enforced, thereby strengthening market entities' awareness of good faith tax compliance and advancing the standardization of the rule of law in the tax system.

2. Enhancing the Overall Effectiveness of Tax Administration. The development of tax-related professional services has broken through the traditional model of unilateral tax administration by tax authorities, establishing a tripartite tax co-governance framework in which taxpayers, tax-related professional service institutions, and tax authorities engage in collaborative oversight and mutual checks. Tax authorities perform their duties in accordance with the law and are subject to public oversight; taxpayers pay taxes in accordance with the law and are subject to tax administration and professional regulatory guidance; and tax-related professional service institutions practice in accordance with regulations and are subject to the constraints of both tax collectors and taxpayers. With these three actors each performing their respective roles, shortcomings in tax administration capacity are addressed, gaps in tax administration are closed, enforcement deviations are reduced, and the overall quality and effectiveness of tax administration are enhanced.

3. Assisting Taxpayers in Fulfilling Their Obligations in Accordance with the Law and Preventing and Mitigating Tax-Related Risks. The tax policy system is complex and tax-related business is highly specialized. Taxpayers are prone to filing errors, policy misapplication, and other problems due to a lack of professional fiscal and tax capabilities. Tax-related professional services can provide specialized compliance assurance, reducing tax compliance errors, and accurately aligning with various preferential tax policies, thereby helping market entities fully benefit from the dividends of such policies. In cases of tax-related disagreements and disputes between tax collectors and taxpayers, tax-related professional service institutions may mediate conflicts in accordance with the law and assist in handling tax-related reconsiderations and appeals, efficiently resolving such disputes.

B. Risks of Non-Compliant Practice by Tax-Related Professional Service Institutions

Tax-related professional service institutions use their professional knowledge and skills to help taxpayers fulfill their tax obligations, optimize tax management, and reduce tax-related risks. At the same time, however, there are instances where certain tax-related professional service institutions and their tax-related service personnel do not practice in a standardized manner, engaging in practices such as false advertising to exaggerate their role, misinterpreting tax policies to mislead taxpayers, and illegally conducting tax planning to seek improper benefits.

In summary, tax-related professional services play an important role in optimizing tax administration, safeguarding taxpayer rights and interests, and advancing modernized tax governance. However, non-compliant practice within the profession not only disrupts the normal order of the tax-related services market and harms the lawful rights and interests of taxpayers, but may also undermine the order of tax administration, affect the effectiveness of tax policy implementation, and breed tax regulatory risks. Therefore, tax authorities must place equal emphasis on service and regulation, rigorously rectifying disorder within the profession, preventing and mitigating practice risks, while simultaneously guiding tax-related professional service institutions toward compliant practice and sound development through a range of service measures, fully unleashing their positive enabling role and contributing to the establishment of a standardized, orderly, efficient, and collaborative modern tax governance system.

III. Overview of the Development of Tax-Related Professional Services Worldwide

Different countries (or regions) have developed distinctive tax-related professional service regulatory and service systems based on their own governance structures and tax regimes. Based on differences in regulatory mechanisms and industry development, there are currently three main types of management models, and tax authorities in each country (or region) have established corresponding service and regulatory systems.

A. Principal Management Models for Tax-Related Professional Services[1]

1. Monopoly Model. Under the monopoly model, the entire profession is regulated in a standardized manner. The state has dedicated legislation governing tax-related professional services, and government authorities have established specialized regulatory bodies. Personnel providing tax-related services are subject to specific qualification requirements, and qualification is obtained through uniform examinations and accreditation organized by government authorities. For example, Japan enacted the Certified Public Tax Accountant Act in the 1950s, establishing the "licensed tax accountant" system. Persons holding the licensed tax accountant qualification include, in addition to those who have passed the licensed tax accountant examination, persons who meet specific conditions prescribed by the Certified Public Tax Accountant Act and are granted exemption from the examination, as well as attorneys-at-law (including those qualified to practice law) and certified public accountants (including those holding CPA qualifications)[2].

2. Relaxed Regulatory Model. Under a relaxed regulatory model, the state exercises relatively little oversight over tax-related services, with no dedicated legislation and no specialized government regulatory body. Tax-related services are primarily provided by professionals holding qualifications such as certified public accountant or lawyer, with such qualifications being conferred through examinations administered by industry organizations. For example, the UK tax-related professional services market encompasses a wide range of services and operates primarily on a self-regulatory basis. Tax-related professional service institutions and practitioners are not required to register or meet any specified standards before working as tax consultants. Due to the absence of a formal registration and regulatory mechanism, in addition to accountants and lawyers, many other entities provide tax advisory services, such as pension providers and voluntary-sector tax aid centers[3].

3. Hybrid Regulatory Model. In a hybrid regulatory model, on the one hand, the

[1] For the classification of management models, see: National Certified Tax Agent Examination Textbook Compilation Group. Tax-Related Services: Practice [M]. Beijing: China Taxation Publishing House, 2025: 14–15.

[2] Source: Official website of Japan's National Tax Agency, https://www.nta.go.jp/taxes/zeirishi/zeirishiseido/seido2.htm#page-top.

[3] Source: July 2022 "Regulation of Tax Advisors and Other Intermediaries in the EU/Member States and Best Practices from Inside and Outside the EU," https://www.europarl.europa.eu/RegData/etudes/STUD/2022/733965/IPOL_STU(2022)733965_EN.pdf?_cldee=veBm01Df7eds-AQpGJxdAXP2DSUaItOyPF6k7POXT9mRmrcG6U0GW--l3YtdfJHs&esid=e79b29d1-d314-ed11-b83d-000d3a43b6a6&f_link_type=f_linkinlinenote&flow_extra=eyJkb2NfcG9zaXRpb24iOjAsImRvY19pZCI6ImYxYjM3OTI2NTAyYmFmMGQtYmIyMjYwZTYxOWQyMjE4NyIsImlubGluZV9kaXNwbGF5X3Bvc2l0aW9uIjowfQ%3D%3D&recipientid=contact-d21f3141faf9e71180fb3863bb358f88-faa46912565e4400bfbe082a26ce3c4b.

government establishes a dedicated regulatory body and enacts specialized administrative regulations; on the other hand, professionals providing tax-related services include not only lawyers and certified public accountants but also specialized enrolled agents, with enrolled agents obtaining their practicing qualification through examination or registration. The hybrid regulatory model combines characteristics of both the strict regulatory model and the relaxed regulatory model, with the United States as its typical representative. Tax agency in the United States began to emerge in the mid-to-late nineteenth century. In October 1913, the United States enacted the Revenue Act of 1913, which reinstated the federal income tax and authorized agents to represent taxpayers in filing income tax returns. In 1921, the U.S. Department of the Treasury issued the Regulations Governing Practice before the Internal Revenue Service (Circular No. 230), which provides that enrolled agents, certified public accountants, lawyers, registered actuaries, and registered tax return preparers (listed in descending order based on professional background and scope of authority to practice before the Internal Revenue Service) may represent taxpayers before the U.S. Internal Revenue Service. The U.S. Internal Revenue Service has established the Office of Professional Responsibility within the agency, responsible for all matters relating to practitioner misconduct, disciplinary action, and practice before the IRS[4].

B. Primary Services Provided by Tax Authorities

By establishing robust laws and regulations governing the tax-related service industry, tax authorities specify in detail the business scope, rights and obligations, professional rules, and legal responsibilities of tax-related professional service institutions and practitioners. This ensures that the practice of tax-related service industry professionals is subject to the rule of law, while also promoting the development of the tax-related professional service industry. For example, ZATCA regulates and supports tax-related professional service providers through general oversight frameworks and guidance mechanisms and focus groups. These measures help ensure that such providers operate in a compliant manner and effectively support taxpayers in meeting their obligations[5].

【Phased Guidance on Taxpayer Services for Tax-Related Professional Service Institutions】

[4] Source: Official website of the U.S. Internal Revenue Service, Part 1. Organization, Finance, and Management 1.1.20 Office of Professional Responsibility, https://www.irs.gov/irm/part1/irm_01-001-020?f_link_type=f_linkinlinenote&flow_extra=eyJpbmxpbmVfZGlzcGxheV9wb3NpdGlvbiI6MCwiZG9jX3Bvc2l0aW9uIjowLCJkb2NfaWQiOiI2NTAxZTFmOTMwMTIyOGRmLWFlMmFjZDA0NDNiZWQ1NGIifQ%3D%3D; "United States: Tax Agency Services Have Become an Important Force in Enhancing Taxpayer Service Effectiveness," China Taxation News, April 27, 2026, B2 International Taxation.

[5] To understand the innovative measures and advanced experience of Belt and Road Initiative participants in taxpayer services, in February 2026 the BRI Taxpayer Service Product System Task Force developed a survey questionnaire and distributed it through the BRITACOM Secretariat. This case is drawn from the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) survey questionnaire, with responses provided by the tax authority of Saudi Arabia. The same applies below.

Tax-related professional service institutions are an important component of the modern tax governance system, playing a significant role in enhancing tax law compliance, mitigating tax-related risks, and facilitating taxpayer-tax authority communication. Tax authorities should ground themselves in their service and regulatory functions — establishing rules to delineate practice boundaries, providing excellent services to empower industry development, and strengthening management to uphold industry order. They should play a positive guiding role and progressively promote compliant operation and professional development among tax-related professional service institutions, thereby building a modern, multi-stakeholder collaborative tax co-governance framework.

I. Strengthening Institutional Frameworks to Lay a Solid Foundation for Compliant Practice

In the early stages of the development of the tax-related professional service industry, market order is not yet fully established, institutional qualifications and practitioner competence are uneven, and practice conduct lacks uniform standards. The issuance of dedicated laws and regulations governing tax-related professional services by tax authorities will be essential to ensuring that the industry gets off to a healthy start and develops in a well-regulated manner. It is essential not only to define the practice boundaries and standards of conduct for institutions and practitioners, but also to establish clear legal liability parameters that will lay a solid institutional foundation for the industry's development. Meanwhile, detailed implementing rules must be continuously refined to ensure that regulations take root and deliver results, thereby safeguarding the standardized and scaled development of the tax-related professional service industry.

A. Defining Practice Standards and Drawing Red Lines for the Profession

The well-regulated operation of the tax-related professional service industry must be premised on "qualified credentials as the prerequisite, business classification as the basis, and conduct standards as the core." This entails defining the statutory service boundaries for institutions and the practice standards for practitioners, distinguishing between regulatory requirements for general and specific tax-related professional services, drawing prohibitive "red lines," and building a practice system with clearly defined powers and responsibilities and orderly oversight.

1. Tax-Related Professional Service Institutions. Their core defining feature is the possession of professional qualifications and the acceptance of mandates to provide tax-related services to taxpayers and withholding agents. Their specific business scope may be classified into two categories — general tax-related professional services and specific tax-related professional services: General tax-related professional services primarily cover tax filing agency services, general tax advisory, agency services for other tax matters, and other tax agency services. These services have a relatively lower entry threshold and more basic content, suitable for the routine tax needs of the majority of market participants. Specific tax-related professional services include professional tax consultant services, tax compliance planning, tax-related authentication, and tax payment review. These services require a higher level of professional competence and directly affect the accurate application of tax policies and the effective prevention and control of tax-related risks, warranting stricter qualification review and process oversight.

At the same time, prohibited conduct by tax-related professional service institutions must be clearly defined — for example: undertaking engagements beyond the scope of their qualifications; colluding with taxpayers to commit tax evasion, tax avoidance, or fraudulent claims for tax preferences; disclosing clients' trade secrets and tax-related information; issuing false authentication reports or false professional opinions; distorting or misinterpreting tax policies to mislead market participants; and engaging in false business promotion or vicious low-price competition that disrupts industry order.

2. Tax-Related Service Personnel. The core definition of tax-related service personnel involves two dimensions: First, the identity dimension — they are persons employed by or working in tax-related professional service institutions such as tax agent firms, accounting firms, law firms, bookkeeping agencies, and tax agency companies, which serve as the organizational basis for their practice. Second, the business dimension — they must be specifically engaged in tax-related professional service work, including statutory service items such as tax filing agency services, general tax advisory, tax compliance planning, tax-related authentication, and tax payment review. Laws and regulations should clearly stipulate professional qualification requirements — for example, mandating that practitioners obtain relevant professional qualification certificates or possess a specified number of years of tax-related work experience. At the same time, they should set out the standards of conduct for practitioners, requiring them to adhere to professional ethics, uphold the principles of independence, objectivity, and impartiality, provide services in strict accordance with tax laws, regulations, and relevant policies, and refrain from inducing taxpayers to make tax decisions that violate laws or regulations. For example, the Maldives Inland Revenue Authority regulates and supports tax-related professional service agencies by establishing a structured licensing framework for tax agents and setting qualifications, training, and examination standards to ensure service quality and promote taxpayer compliance. Individuals approved as Licensed Tax Agents must hold either a Category 1 or Category 2 license, with strict requirements on citizenship, academic qualifications, professional membership, and minimum exam scores, and they are prohibited from being employed by taxpayers to maintain independence. Additionally, taxpayers who are required to submit an auditor's report must obtain one from an independent auditor licensed by the Institute of Chartered Accountants of the Maldives, ensuring that both tax and audit professionals operate under regulated, competency-based systems that uphold compliance across the market[6]. In Germany, tax agency service personnel are limited to licensed tax accountants, lawyers, and certified public accountants. In Australia, tax agency service personnel must be registered with the Tax Practitioners Board[7].

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[6] Source: February 2026 Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) survey questionnaire, with responses provided by the tax authority of Maldives.

[7] Source: Training workshop on Innovation in Tax-Related Professional Service Management and Optimization of the Tax and Business Environment, June 22 – July 7, 2026, as shared by IMF experts.

At the same time, negative entry criteria should also be established: persons with a record of serious tax-related violations or breaches of trust, or who have been listed as tax-related discredited judgment debtors, shall not be permitted to engage in the tax-related professional service.

B. Improving Enforcement Rules and Strengthening the Regulatory Baseline

A regular, multi-dimensional supervision and inspection mechanism should be established, clearly defining the supervision and inspection powers, scope, and frequency of tax authorities. The content of such supervision and inspection should cover the professional qualifications, service quality, and compliance status of institutions, with a focus on verifying the authenticity and legality of tax-related authentication reports, the performance of service contracts, and any unlawful or non-compliant practice. For example, Indonesia regulates tax-related professional services through licensing, supervision, and enforcement mechanisms, including:A formal regulatory framework for tax consultants, including certification and licensing requirements, and governance of professional conduct and sanctions. Supervision functions for the tax consultant profession are administered under the Ministry of Finance's professional supervision structure, with public information and service processes hosted via the PPPK (Pusat Pembinaan Profesi Keuangan) portal, including licensing administration and announcements[8]. In handling violations of laws and regulations, penalty criteria and procedures must be refined to ensure that penalties are fair, reasonable, and well-founded. For different types of violations, specific fine ranges should be defined to prevent excessively broad discretionary powers; penalty procedures should be standardized, specifying operational requirements for each stage — including case filing, investigation, notification, hearing, decision, and service of documents — to safeguard the lawful rights and interests of those subject to penalties. A penalty information disclosure system should be established, whereby the violation records and penalty outcomes of tax-related professional service institutions and practitioners are publicly disclosed through channels such as the official websites of tax authorities, incorporated into the credit evaluation system, and made subject to joint disciplinary action.

1. For violations involving evasion of administrative oversight — such as failing to file relevant service information as required, or engaging in relevant tax-related professional services without the requisite professional competence — penalties may be imposed depending on the severity of the circumstances, including issuing reminders and warnings, ordering correction within a specified time limit, conducting regulatory interviews, deducting credit scores, recording adverse credit history, and designating the entity as a key regulatory target.

2. For violations involving practice misconduct — such as publicly distorting or misinterpreting tax policies, issuing false opinions, causing clients to underpay or fail to pay taxes, or fraudulently claiming tax preferences — penalties may be imposed depending on the severity of the circumstances, including designating the entity as a key regulatory target, deducting credit scores, lowering credit ratings, issuing risk

[8] Source: February 2026 Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) survey questionnaire, with responses provided by the tax authority of Indonesia.

alerts to clients and the competent tax authorities in the clients' localities, and listing and publicly announcing the entity as a tax-related service discredited entity.

3. Where the conduct constitutes a criminal offense, the case shall be resolutely referred to the judicial authorities. The relevant institutions and practitioners shall be held accountable in accordance with the law. Through rigorous judicial accountability, such measures shall serve as a powerful deterrent against violations that cross industry red lines and legal boundaries, thereby safeguarding the overall rule of law in the tax-related professional service.

Each country (or jurisdiction) may, based on the severity of violations by tax-related professional service institutions and practitioners, and taking into account the state of development of the local tax-related professional service, establish corresponding penalties to ensure proportionality between responsibilities and consequences.

UAE: Full-Chain Standardized Regulation of Tax Agents[9]

In the UAE, Tax Agents are regulated by legislation and must meet a number of specific requirements (education, experience, integrity, professional insurance, etc.) to be included to the FTA register of Tax Agents. The dedicated teams within the Federal Tax Authority review Tax Agent registration requests, deliver awareness sessions for Tax Agents, arrange meetings with Tax Agents, monitor the adherence by Tax Agents to the required Continuous Professional Development obligations, and manage the adherence by Tax Agents to their professional standards. A breach of the relevant requirements should lead to the imposition of Black points and the removal of the Tax Agent from the FTA register.

In addition, the FTA, through TPS, runs periodical Tax Agents' Business Advisory Group meetings, where representatives of the Tax Agent community can raise matters of general interest and interact with the FTA. Tax Agent Forums are held twice a year for all Tax Agents interested both in English and Arabic.

UK: Iteratively Upgrading and Building a Tiered Enforcement and Regulatory System for Tax Intermediaries[10]

The UK has established a dynamically updated regulatory system with tiered disciplinary measures covering the full chain of tax-related intermediaries, underpinned by multiple mechanisms that build layer upon layer of regulatory safeguards. Since 2004, the UK has implemented the Disclosure of Tax Avoidance Schemes (DOTAS) regime, which imposes mandatory disclosure obligations on both promoters and users of tax avoidance schemes. In 2014, it introduced the

[9] Source: February 2026 Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) survey questionnaire, with responses provided by the tax authority of the United Arab Emirates.
[10] Source: Training workshop on Innovation in Tax-Related Professional Service Management and Optimization of the Tax and Business Environment, June 22 – July 7, 2026, as shared by IMF experts.

Promoters of Tax Avoidance Schemes (POTAS) mechanism, which has been strengthened several times since, enabling the issuance of conduct notices, monitoring notices, and cessation notices — up to the initiation of criminal proceedings — against intermediaries that continue to promote non-compliant tax avoidance schemes. The UK has also introduced dishonesty penalty provisions, imposing civil sanctions on tax agents who fail to meet conduct standards, and plans to roll out a mandatory registration system for tax advisors starting in May 2026, with penalties for failure to register.

The regulatory system is continuously refined and upgraded as regulatory gaps are identified. Non-compliant schemes, institutions, and individuals are publicly exposed on a routine basis; industry associations are engaged in multi-stakeholder governance; dedicated funds are allocated to support phased implementation of registration management; and a clear long-term regulatory vision is articulated. Differentiated regulatory measures are applied in proportion to the severity of violations, achieving closed-loop control over tax intermediaries — from ex ante disclosure and ongoing restraint to ex post disciplinary action.

II. Optimizing Service Measures and Building a Platform for Collaborative Development

While establishing and continuously improving the legal framework for tax-related professional services and implementing regulatory regimes, tax authorities must also focus on optimizing services for tax-related intermediaries, streamlining information reporting procedures, and establishing communication mechanisms with tax-related intermediaries, their industry associations, and taxpayers, so as to respond to their needs in a timely manner. It must be especially emphasized that the independence of the tax-related professional service industry should always be upheld. In cooperating with institutions, a clear boundary between powers and responsibilities must be drawn: the professional strengths of these institutions in tax services should be fully leveraged, while administrative interference and vested-interest entanglements must be resolutely avoided, so as to ensure that institutions make professional judgments independently and that the industry achieves high-quality development on a fair and professional track.

A. Streamlining Tax Procedures and Strengthening Policy Support

While strengthening regulation, tax authorities must also focus on service empowerment — fostering a favorable environment for the healthy development of the tax-related professional service industry by optimizing service processes and opening communication channels.

1. Continuously streamlining the information reporting process. Leveraging digital platforms such as the E-tax service, a "single-portal reporting, one-click inquiry, fully online processing" approach to tax-related professional service information should be implemented, reducing unnecessary paper-based submissions and in-person visits, thereby lowering institutional practice costs. With regard to issues of widespread industry concern — such as policy application and business operations — a regularized policy interpretation mechanism should be established. Through live streaming, specialized training, and handbook compilation, it should be ensured that institutions have timely and accurate access to the latest tax policies and tax administration requirements.

2. Building diversified communication bridges. A four-party communication mechanism among tax authorities, tax-related intermediaries, industry associations, and taxpayers should be strengthened. Through methods such as regular roundtable meetings, questionnaire surveys, and on-site visits, industry development needs and taxpayer service demands should be accurately gathered to ensure that reasonable requests are addressed in a timely manner. Through two-way interaction, tax authorities can gain an accurate grasp of industry dynamics while tax-related intermediaries and taxpayers perceive the responsiveness of policy — creating a virtuous cycle of interaction in which "regulation has strength and service has warmth." For example, Mongolia in order to promote tax legislation among taxpayers, foster a culture of voluntary and accurate tax self-assessment and payment, and enhance tax education, the tax authority cooperates with professional organizations through memoranda of understanding and cooperation agreements. These organizations include the Mongolian Association of Certified Tax Consultants, the Institute of Certified Public Accountants of Mongolia, and the Mongolian Employers' Federation.Within the framework of this cooperation, the parties work jointly to promote tax legislation, exchange views, conduct consultations, and organize open discussions.[11] In Macau, China, regulating tax professional service organizations falls under the jurisdiction of the Accountants' Professional Committee. On the FSB's side, the Committee jointly holds two tax seminars annually with relevant tax professional service organizations, inviting business representatives to participate. The content generally focuses on tax issues and policies to effectively promote compliance with tax laws among market entities[12].

Uruguay: Establish Regular Communication and Collaboration Mechanisms Relying on Industry Associations[13]

The General Directorate of Taxation (DGI) maintains a fluid, direct, and efficient regular dialogue mechanism with various tax-related professional service agencies and industry associations. The tax authority has set up a consultation system with the Uruguayan Association of Accountants, Economists, and Administrators and the Uruguayan Association of Notaries, holding regular meetings quarterly or semi-annually, and ad-hoc meetings upon practical business demands. During these meetings, the tax authority collects, sorts out and analyzes tax-related difficulties, industry concerns and optimization proposals raised by each industry association item by item.

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[11] Source: February 2026 Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) survey questionnaire, with responses provided by the tax authority of Mongolia.
[12] Source: February 2026 Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) survey questionnaire, with responses provided by the tax authority of Macau, China.
[13] Source: February 2026 Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) survey questionnaire, with responses provided by the tax authority of Uruguay.

With broad representation and extensive reach, tax-related professional service agencies serve as an ideal channel for the tax authority to rapidly disseminate key information to market entities, including new tax policies, revisions to tax administration procedures and impacts brought by regulatory changes. These industry organizations independently organize tax-themed workshops and practical training activities, which feature wide coverage and strong practical pertinence and play a vital role in improving the industry's tax handling capacity.

In addition, in line with annual work plans and actual tax administration demands, the DGI holds regular meetings with the Uruguayan Association of Customs Brokers and the Uruguayan Exporters Union. Such multi-party coordination and collaboration help guide taxpayers to conduct tax-related businesses in compliance with tax laws, strengthen certainty in the application of tax regulations, and continuously advance the transparency of domestic tax co-governance systems.

Hungary: Establish a Tax Service and Compliance Management System through Multi-party Linkage[14]

Professional forums serve as a vital channel for external communication of the tax authority, among which the National Tax Consultation stands out prominently. Such platforms create opportunities for dialogue and exchange of experiences between the tax authority, the business sector, accountants, and tax advisors. Meanwhile, the tax authority enters into cooperation agreements with various professional organizations, one of whose core aims is to encourage voluntary tax compliance among market entities.

Professional service organizations represented by the SMEHOUSE small business community may submit requests to the tax authority to obtain data and analyses subject to relevant provisions, and such applications will be accepted upon review. In addition, the National Tax and Customs Administration (NTCA) has set up a specially designed research room for data access; relevant organizations may research the NTCA's data assets based on preliminary guidelines, and a data scientist will be assigned to provide professional support if necessary.

Professional organizations can participate in the development of compliance support tools on a voluntary basis. Through multi-party collaboration, the information delivered to taxpayers can better support their own business analysis, which helps market entities improve their tax compliance level and strengthens their overall competitiveness.

B. Deepening Multi-Stakeholder Coordination and Promoting Industry Self-Regulation

By fully leveraging the strengths of industry associations for tax agents, accountants, lawyers, and other professionals, the foundations of industry self-regulation should be

[14] Source: February 2026 Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) survey questionnaire, with responses provided by the tax authority of Hungary.

consolidated, and a governance model in which administrative regulation and industry self-governance complement each other should be established. Industry associations should be guided to develop, in light of their industry characteristics, detailed practice standards, service specifications, and self-regulatory conventions, clearly defining the boundaries of professional conduct and resisting harmful practices such as price undercutting, false advertising, and non-compliant practice. **First, performing the function of industry self-governance and exercising internal supervision and restraint.** Each industry association discharges its entity-level management responsibilities by conducting regular self-inspections and inspections of member institutions and practitioners, focusing on key issues such as practicing beyond authorized scope, issuing false reports, and distorting tax policies. An industry-wide ledger of discredited entities shall be established, and self-regulatory measures — such as regulatory talk, industry-wide notices, and membership qualification management — shall be taken against non-compliant members, addressing the detail-level gaps in administrative regulation. **Second, building professional exchange platforms and forging consensus on industry development.** By leveraging associations to integrate industry resources, cross-institutional and cross-disciplinary business exchanges and experience sharing should be organized to guide the industry in exploring models of compliant operation. From an industry perspective, common issues arising in policy implementation and practical operations should be collected, and professional assessments and recommendations should be formulated to serve as reference for improving the tax system and refining tax administration procedures, thereby fulfilling the role of a professional think tank. **Third, enabling two-way coordination and interaction to jointly advance tax co-governance.** A regularized collaboration mechanism between tax authorities and industry associations shall be established, through which regulatory direction and compliance requirements are communicated to the broad range of tax-related service institutions via the associations. At the same time, drawing on associations' proximity to the market, practitioners should be encouraged to proactively participate in public services such as tax law publicity and taxpayer guidance, consolidating the combined efforts of multiple parties to raise the level of tax law compliance across society.

Singapore: Regulate Compliant Practice of Tax-related Professional Services Relying on Industry Associations[15]

Singapore does not operate a statutory licensing regime for tax agents. Instead, many practicing tax professionals obtain accreditation through the Singapore Chartered Tax Professionals (SCTP), which is Singapore's leading professional body for tax practitioners. SCTP's accreditation framework promotes high professional standards by recognising individuals who meet prescribed requirements in professional qualifications, relevant experience, and technical tax competency. Accredited members are required to comply with the SCTP's Code of Professional Conduct and Ethics, which is anchored on the principles of integrity, objectivity, confidentiality, professional behaviour, and professional competence and due care.

IRAS works closely with tax practitioners and professional bodies through regular

[15] Source: February 2026 Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) survey questionnaire, with responses provided by the tax authority of Singapore.

consultations, industry engagements and outreach to promote the consistent interpretation and application of tax laws and administrative practices. Tax practitioners also contribute to the development of tax policies, administrative practices and legislation by providing practical feedback. For example, IRAS regularly engages SCTP and its committees on tax and compliance matters affecting businesses, including small and medium enterprises, to better understand their operational challenges and continuously improve the taxpayer experience.

III. Innovating Management Tools to Enhance Comprehensive Governance Effectiveness

In keeping with the trends toward digitalization and internationalization, tax authorities should develop digital systems that use advanced technologies such as big data analytics to set risk alert thresholds for tax-related intermediaries, monitor business data in real time, and issue alerts for anomalies. Introduce credit evaluation mechanisms, promote online service platforms, regulate the practice conduct of tax-related intermediaries and practitioners, and enhance service efficiency and transparency.

A. Strengthening Information Reporting and Disclosure Control

Implementing tax compliance plan filing and record management for tax-related intermediaries helps safeguard tax fairness and prevent revenue loss. It enables tax authorities to stay informed of tax compliance plan developments in a timely manner and effectively constrain and regulate the practice conduct of tax-related intermediaries. **First, strengthen mandatory disclosure rules and standardize the scope and subjects of disclosure.** Establish a mandatory disclosure mechanism for tax compliance plans, specifying the disclosure obligations of service institutions, practitioners, and clients. Include high-risk tax-related arrangements, complex transactions, cross-border business, and tax treatments subject to policy disputes within the scope of disclosure, specify disclosure content and reporting deadlines in greater detail, and enhance the transparency of tax-related services. In 2015, the Organisation for Economic Co-operation and Development (OECD) published Action 12 (Mandatory Disclosure Rules) of the Base Erosion and Profit Shifting (BEPS) initiative, calling on countries to implement a mandatory disclosure regime for tax compliance plans. In 2018, it issued mandatory disclosure standards that expanded the scope of information that tax-related intermediaries are required to disclose, including key details of underlying investments, organizational and personnel arrangements of taxpayers, and relevant tax details of tax-related intermediaries. EU Council Directive 2016/822 on administrative cooperation requires member states to implement a mandatory disclosure regime for tax compliance plans in respect of "reportable cross-border arrangements," specifying that tax-related intermediaries bear the disclosure obligation[16]. **Second, refine reporting standards and procedures to achieve closed-loop traceability management.** Standardize requirements for information collection, filing, and reporting, differentiate reporting standards by business type, and use online platforms to promote end-to-end online processing, process traceability, and unified reference numbering. Taxpayers shall be required to

[16] Source: "Multi-Country Tax-Related Supervision Shows a Trend Toward 'Strict Regulation, Detailed Disclosure, and Severe Penalties,'" China Taxation News, July 30, 2025, B4 Expo.

reference the corresponding filing number when filing their returns, forming a "disclosure – utilization – traceability" closed loop and ensuring that information remains dynamically accessible. **Third, strengthen disciplinary measures and technology enablement to reinforce the bottom line of risk prevention and control.** Establish tiered penalty standards for violations such as concealment, misreporting, late filing, and false disclosure, and raise the cost of non-compliance. Use big data to conduct information verification and dynamic monitoring, strengthen cross-departmental data sharing and coordinated supervision, incorporate filing compliance into credit evaluation, and implement classified and tiered control.

B. Standardizing Credit Evaluation and Implementing Classified Management

Establishing a sound and comprehensive credit evaluation system for tax-related professional services is a critical measure for achieving refined industry governance, and helps promote the precise implementation of classified and tiered management as well as targeted services. Tax authorities should, taking into account the stage of taxpayer service development and the state of the tax-related professional service industry in their own country (or region), build a multi-dimensional credit evaluation indicator system covering compliance with administrative rules such as the real-name system, taxpayer evaluations, tax authority evaluations, business structure, service quality, and other dimensions. They shall specify the weighting of each indicator and the scoring rules, develop a unified credit information platform for tax-related professional services, and enable automatic collection, dynamic updating, and quantitative scoring of credit information, ensuring that evaluation results are objective, fair, open, and transparent.

On this basis, fully implement a classified and tiered management model that directly links credit ratings to regulatory intensity and service resource allocation:

1. For institutions with high credit ratings, adopt "trust-based supervision." Provide green-channel taxpayer services and, through tax informatization systems, offer facilitated services to high-credit-rated tax-related intermediaries for batch tax filing, information reporting, online tax enquiry, and related business processing. When tax authorities procure tax-related professional services, such institutions may be given priority under equal conditions.

2. For institutions with medium and low credit ratings, adopt "routine supervision plus ongoing services." For tax-related intermediaries with medium credit ratings, focus on policy compliance training and business risk alerts. For institutions with low credit ratings, adopt a "key supervisory" model: issue risk alerts to their clients; when collecting information on tax-related professional service engagement agreements, require both the client and the service provider to appear in person at the tax authority's office; and suspend access to online tax enquiry and related business processing.

Establish a credit information sharing and public disclosure platform that publishes institutional credit rating information, guiding the market to independently select high-quality service providers and creating a positive incentive mechanism under which "the better the credit, the lighter the supervision and the better the service."

This will drive the transformation of the tax-related professional service industry from "extensive development" to "credit-driven development," raising overall industry compliance and service quality and efficiency. For example, Cambodia has established a taxpayer compliance and risk management framework. Based on records of filing accuracy, payment timeliness, audit results, and enforcement history, tax-related professional service agencies are classified into low-risk, medium-risk and high-risk categories to carry out differentiated supervision and audit arrangements[17].

China: Credit Evaluation Management for Tax-Related Professional Services

China's tax authorities have specifically formulated management measures for tax-related professional services, focusing on prominent issues such as the need to strengthen practice quality in the industry. They have established and improved a "credit + risk" management mechanism based on real-name system management to support the development of the tax-related professional service industry, giving full play to its positive role in promoting tax law compliance and guiding compliant operations.

1. Overview of China's Credit Evaluation Management for Tax-Related Professional Services

Credit evaluation management for tax-related professional services refers to the process by which tax authorities conduct credit evaluations of tax-related intermediaries' performance of tax-related professional services, maintain credit records of the practice conduct of tax-related service personnel, and apply incentive and constraint measures based on credit evaluation results. Credit evaluation for tax-related professional services consists of two components: first, credit evaluation of tax-related intermediaries, which combines credit scoring with credit rating; second, credit records for tax-related service personnel, which combine credit scoring with adverse practice records.

2. Highlights and Distinctive Features of China's Credit Evaluation for the Tax-Related Professional Service Industry

2.1 The "Credit + Risk" Institutional Framework

The institutional development of China's credit evaluation management for tax-related professional services follows the principle of "progressive advancement and systematic integration." The State Taxation Administration of China has formulated the Administrative Measures for Tax-Related Professional Services, establishing a "credit + risk" management mechanism based on real-name system management and specifying core elements such as practice supervision and inspection and administrative penalties. These measures align with previously issued documents on information collection, credit evaluation, information disclosure, basic standards, and professional ethics codes, forming a relatively comprehensive regulatory framework for tax-related professional services.

[17] Source: February 2026 Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) survey questionnaire, with responses provided by the tax authority of Cambodia.

This institutional framework covers both the overall credit evaluation of tax-related intermediaries and the individual credit records of tax-related service personnel. The evaluation scope spans multi-dimensional indicators — including institutional compliance with the real-name system, service quality, business information quality, own tax payment credit, and client credit — as well as key elements such as practitioners' basic information, practice records, and adverse records. This "dual evaluation, all-round" approach ensures the objectivity and comprehensiveness of credit evaluation results.

2.2 Quantitative Scoring and Rating Classification

2.2.1 Credit Evaluation of Tax-Related Intermediaries. Credit evaluation of tax-related intermediaries uses a 500-point scale, with an evaluation period from January 1 to December 31 each year. Credit ratings are divided into five levels from highest to lowest: TSC5 (400 points and above), TSC4 (300 – 399 points), TSC3 (200 – 299 points), TSC2 (100 – 199 points), and TSC1 (below 100 points), where TSC stands for Tax Service Credit. Restrictive provisions are also in place. For example, an institution shall not be rated TSC5 if its tax payment credit was rated D in the previous evaluation period or if it has submitted basic information for less than three years. An institution shall not be rated above TSC1 if its current tax payment credit is rated D or if its responsible person has been listed as a tax-related service discredited entity or a seriously discredited entity and the listing has not yet been lifted.

2.2.2 Credit Evaluation of Tax-Related Service Personnel. Credit evaluation of tax-related service personnel uses a cumulative scoring system. Evaluation indicators include basic information, practice records, adverse records, and tax payment records. Among these, adverse practice conduct shall be entered into a negative list, directly affecting the individual's credit score.

This "institution + individual" dual scoring system not only strengthens the primary responsibility of institutions but also emphasizes constraints on the practice conduct of practitioners, forming a credit community in which institutions and individuals share both credit and accountability.

2.3 Multi-Channel Information Collection

The scientific validity of credit evaluation depends on comprehensive and accurate data. China's tax authorities have established a unified national information database for the management of tax-related professional services, collecting information through three main channels: first, information submitted by tax-related professional service institutions and their personnel; second, information generated by tax authorities in the course of tax administration, collection, and oversight; and third, information publicly disclosed by other industry regulatory authorities and industry associations.

Leveraging big data technologies, information collection has shifted from passive declaration to proactive data capture. Through data sharing with public finance, market regulation, banking, and other authorities, tax authorities obtain third-party

information such as business operating conditions, capital flows, and administrative penalties, effectively addressing the evaluation bias caused by reliance on a single data source.

2.4 Positive Incentives and Negative Sanctions Based on Evaluation Results

Tax authorities provide tiered and classified services and management to tax-related professional service institutions and tax-related service personnel based on their credit standing.

2.4.1 Tiered Services. Tax authorities implement differentiated incentive measures based on the credit rating of tax-related professional service institutions. TSC5 institutions may enjoy batch filing and green-channel tax services, and are given priority in government procurement of tax-related services under equal conditions; information on high-credit institutions and practitioners is referred to relevant authorities for joint incentive measures. For TSC3 and TSC4 institutions, in addition to routine management, tax authorities provide policy guidance as needed and match incentive measures selectively based on credit scores. For tax-related service personnel with good credit standing, their credit status is taken into account when selecting them for relevant public appointments, and they are given priority invitations to serve as tax service experience officers in the revision of tax laws and the optimization of tax procedures and systems.

2.4.2 Classified Management. Tax authorities subject low-credit tax-related professional service institutions to enhanced oversight: the agency services and routine audit plans of TSC2 and TSC1 institutions are designated as key review targets; TSC1 institutions are additionally subject to risk alerts sent to their clients, and service agreement collection requires in-person processing by both parties, with online enquiries and service processing suspended. Institutions and personnel placed on the tax-related service discredited entity list are publicly disclosed; those with serious tax-related violations are referred to the public credit platform, with simultaneous notification to their clients and the corresponding tax authorities in charge; any agency services they provide must be processed in person with both parties present.

In the future, taxpayer services for tax-related professional service institutions will develop toward compliance, digitization, and professionalization. The industry will move away from the traditional low-quality model of bookkeeping agency services and non-compliant tax planning, shifting toward a full-process tax service system centered on compliance. Moreover, as tax administration evolves toward full-chain governance, the role of tax-related professional service institutions will shift from that of simple tax filing agents to co-creators of corporate tax governance, conduits of tax policy, and bridges for interactive dialogue between tax collectors and taxpayers. Focusing on the personalized needs of key sectors such as advanced manufacturing, cross-border operations, and the digital economy, they will develop compliance service products that combine standardization with customization. At the same time, leveraging credit building as a key instrument, they will secure policy support from tax authorities and market recognition through high credit ratings, ultimately fostering a new industry ecosystem characterized by "regulatory guidance, institutional self-discipline, technology empowerment, and shared value creation." In the process of helping enterprises pay taxes in accordance with the law and optimizing the tax and business environment, they will achieve their own high-quality development.