

Institutional Guarantees for Taxpayer's Rights and Interests

[Overview of Institutional Guarantees for Taxpayer's Rights and Interests]

I. The Concept of the Institutional Guarantees for Taxpayers' Rights and Interests

Institutional Guarantees for Taxpayers' Rights and Interests mean clarifying, regulating and consolidating the legitimate rights of taxpayers and relevant protection requirements throughout the entire tax collection and payment process through laws, regulations and rules. It defines the rights and obligations of both tax authorities and taxpayers, and establishes a systematic institutional framework covering full-process rights guarantees, power restriction and dispute remedy. Replacing arbitrary practices with rigid institutions, it realizes the legalization, standardization and normalization of taxpayers' rights and interests guarantees, ensuring it is based on laws and regulations. Meanwhile, it balances the authority-taxpayer relationship through institutions and consolidates the legal foundation of tax governance.

II. The Necessity of Institutionalizing the Guarantees for Taxpayers' Rights and Interests

The rule of law creates the best business environment. By formulating a clear list of taxpayers' rights and obligations, stipulating rigorous tax law enforcement procedures, and improving supervision and accountability mechanisms, the exercise of power by tax authorities shall be restrained by institutions. This ensures equal rights and obligations between tax authorities and taxpayers, fundamentally prevents power rent-seeking, unfair law enforcement and other problems, and safeguards the fairness of tax legal relations.

1. Limitations and risks of institutional deficiencies in the guarantees of rights and interests

Without a sound and stable institutional system, the guarantees of taxpayers' rights and interests is prone to inconsistent standards and arbitrary law enforcement. This not only undermines taxpayers' legitimate rights and interests and impairs their business decisions and investment confidence, but also weakens the authority and credibility of tax authorities.

▲ Fairness cannot be fully guaranteed. In the absence of sound institutions, administrative law enforcement lacks unified standards and operational norms, leading to differential treatment in the guarantees of taxpayers' rights and interests. Excessive discretionary power vested in tax authorities may result in inconsistent law enforcement standards among different taxpayers. While the rights and interests of some taxpayers are fully guaranteed, those of others may be neglected or even infringed upon.

▲ The guarantees of rights and interests for vulnerable groups tends to be

marginalized. Small and Medium-Sized Enterprises and individual taxpayers often find themselves at a disadvantage when facing improper administrative actions due to their lack of professional tax law knowledge and rights guarantees capabilities. They struggle to accurately determine whether their rights have been violated, and lack effective channels and resources for appeal and remedy. As a result, their legitimate rights and interests are more likely to be neglected in the absence of institutional safeguards.

▲ Undue external intervention poses a notable risk. Without a stable institutional framework, the guarantees of rights and interests often relies on temporary provisions or the discretion of individual personnel, lacking both stability and continuity. Because of the absence of strict oversight and enforcement mechanisms, as well as uniform implementation standards, some law enforcement officers may delay or arbitrarily refuse cases based on personal discretion, undermining the guarantees of rights and interests.

2.The Advantages and Significance of Institutional Guarantees for Taxpayers' Rights and Interests

Institutional Guarantees for Taxpayers' Rights and Interests is an important step in achieving the rule of law in taxation, as well as a crucial foundation for fostering positive interaction between tax authorities and taxpayers. With the advancement of tax rule of law and the upgrading of governance concepts, the development of systems for taxpayers' rights and interests guarantees has grown increasingly important, which is mainly reflected in the following aspects:

▲ A sound system for guarantees of rights and interests serves as a solid foundation for building harmonious relations between taxpayers and the tax authorities. The essence of the tax collection and payment relationship is a legal bond of rights and obligations. Only when taxpayers' rights are fully guaranteed and their obligations clearly defined can equal dialogue and sound interaction be achieved between tax authorities and taxpayers.

▲ A sound mechanism for guarantees of taxpayers' rights and interests serves as a key measure to improve tax compliance. Enhancing tax compliance requires not only effective regulatory oversight but also internal recognition and voluntary compliance. When taxpayers clearly understand their rights and believe these rights will be effectively guaranteed, their willingness and initiative to fulfill tax obligations will significantly increase. A sound institutional system for protecting taxpayers' rights and interests can form a positive cycle of "rights guarantees → enhanced trust → voluntary compliance → governance optimization", thereby reducing the cost of tax collection and administration.

▲ Clear institutional provisions and work standards are important starting points for regulating the law enforcement activities of tax authorities. By clarifying the principle of tax legality, standardizing law enforcement procedures, and establishing a restraint mechanism for discretionary power, we can urge tax authorities to perform their duties in accordance with regulations and enforce laws fairly. This ensures that all taxpayers enjoy equal rights and interests under the same conditions, and also

compels tax authorities to exercise administrative power in accordance with the law, preventing the abuse of discretionary power and arbitrary law enforcement. At the same time, the institutionalized system of rights guarantees provides clear guidelines for tax authorities, helping to reduce law enforcement deviations and enhance the standardization and impartiality of law enforcement.

[How to Guarantee Taxpayers' Rights and Interests Through Institutionalized Measures]

Institutional guarantees for taxpayers' rights and interests center on building a legalized and standardized institutional system. Progress can be made in seven dimensions: clarifying specific content, selecting institutional forms, strengthening publicity and popularization, promoting implementation, improving rights guarantees, conducting supervision and assessment, and advancing international coordination.

Step 1: Define the Core Rights of Taxpayers

The premise of absolute guarantees for taxpayers' rights and interests is to clarify which rights of taxpayers ought to and need to be guaranteed, and to delineate the boundary between tax administrative power and taxpayers' rights. The following are widely recognized taxpayer rights across the international community, which deserve focused attention and full institutional guarantees. Countries and regions may also make adjustments in light of local realities.

1.Right to Information. Taxpayers have the right to access information concerning tax laws and policies, tax collection and administration procedures, eligibility criteria for preferential tax policies, and right remedies absolutely. Tax authorities shall provide relevant content in an active, timely and accurate manner.

2.Right to participate. In the process of formulating tax policies and adjusting collection and management rules, taxpayers have the right to express their demands through hearings, public consultations, and other channels. The tax authorities should fully consider and incorporate reasonable suggestions.

3.Right to fair treatment. Taxpayers are entitled to fair and equal tax treatment. Uniform standards shall be applied in the implementation of tax policies, tax inspections, administrative penalty discretion and other related matters. No differential treatment shall be imposed on the basis of identity, enterprise scale or other irrelevant factors.

4.Right to Privacy and Confidentiality. Taxpayers' trade secrets, tax-related information and personal privacy are guaranteed by law. Tax authorities shall not abuse, disclose or illegally provide such information to third parties.

5.Right to Statement and Defense. When taxpayers have objections to tax administration decisions and penalty opinions issued by tax authorities, they have the right to make statements and defenses, which tax authorities shall fully listen to and verify.

6. Right to Remedy .When taxpayers deem the administrative acts of tax authorities improper or refuse to accept such acts, they have the right to apply for administrative reconsideration and file administrative litigation in accordance with the law. When it is confirmed upon verification that tax authorities are at fault, taxpayers shall be entitled to apply for the correction of administrative matters and claim damages and compensation.

Step 2: Choose institutional safeguards

In light of national and local conditions, tax authorities shall, systematically and clearly define the basic rights and obligations of taxpayers during the formulation and revision of fundamental national laws, basic tax laws and supporting regulations. Core rights of taxpayers, such as the right to information, the right to participation, and the right to privacy and confidentiality, shall be explicitly stipulated by law, so as to build a well-structured, logically sound legal framework for taxpayers' rights and obligations. Meanwhile, rules supporting laws, regulations and institutional shall be established to further elaborate on the specific content of taxpayers' rights and relevant guarantee measures.

1.Establish the supreme legal basis for the guarantees of taxpayers' rights and interests

Top-level design, as the institutional source for the guarantee of taxpayers' rights and interests, shall be formulated in a differentiated manner in light of the progress of legal system development. It shall develop a tailored top-level institutional framework centering on tax statutory principles, power restriction and rights guarantee, clarify the fundamental norms and power/responsibility boundaries for protecting taxpayers' legitimate rights and interests, and provide a legal basis for the implementation of follow-up systems.

▲In jurisdictions with a relatively complete legal system, the basic principles for the guarantee of taxpayers' rights and interests may be directly established based on top-level laws. Core principles such as statutory taxation, equal application of law and judicial remedy shall be embedded in top-level laws to clarify their binding force in the tax field. This enables in-depth integration of taxpayer rights guarantees with the existing rule of law system. Rigid legal principles shall constrain the whole process of tax legislation and law enforcement, define the exercise boundaries of tax authorities' power at the source, and ensure that taxpayers' rights and interests are guaranteed on a statutory basis.

▲In jurisdictions with a relatively weak legal foundation, special basic tax norms may serve as the carrier to formulate a basic tax law. It shall clearly define core rights of taxpayers, operational rules governing tax collection power of tax authorities, as well as the rights and obligations between tax authorities and taxpayers. Targeted top-level norms for rights and interests guarantees in the tax sector will be formulated to prioritize the systematization of taxpayers' rights and obligations, build a basic legal framework for rights guarantees, and lay a solid foundation for upward alignment with top-level laws after the improvement of the rule of law system in the future.

2. Formulate independent and specialized laws and regulations for the guarantee of taxpayers' rights and interests

Regardless of the maturity of the legal system, authorities may adopt such forms as enacting a special law on the guarantee of taxpayers' rights and interests, promulgating a taxpayer bill of rights, or setting up dedicated chapters in tax procedural laws. These measures serve to systematically integrate scattered provisions on taxpayers' rights and obligations contained in various laws and administrative regulations, and formulate specialized tax legal norms for rights and interests guarantees. For instance, the State Taxation Administration of China (STA) has issued the Announcement on the Rights and Obligations of Taxpayers together with supporting documents. It translates abstract tax laws into a specific list of rights and obligations, and turns static institutional provisions into dynamic service practices, enabling taxpayers to fully understand their entitled rights and due obligations. The Internal Revenue Service has promulgated the Taxpayer Bill of Rights¹, outlining ten fundamental rights of taxpayers and specifying the procedures for tax examination, appeal, collection and tax refund. The National Tax Service of Korea has formulated the Taxpayer Rights Charter, elaborating on seven major rights enjoyed by taxpayers². The Australian Taxation Office has released the Taxpayers' Charter with thorough and comprehensive provisions on taxpayer rights, accompanied by ten interpretation manuals that provide detailed and plain explanations for each fundamental right stipulated in the Charter³.

The United Arab Emirates: Guarantee of Taxpayers' Rights and Interests in Accordance with Laws and Regulations⁴

The FTA has developed and published the Taxpayer Charter, which specifies Taxpayer Rights and Obligations. The UAE Tax Legislation framework also specifies the Tax Audit processes and procedures and the FTA's mandate in this respect. This comprehensive set of implementation measures provides taxpayers with a clear path for rights relief, helping to strengthen their sense of trust in and willingness to comply with the tax system.

China Issues Announcement on Rights and Obligations of Taxpayers

China's tax authorities have established the core principles for safeguarding taxpayers' rights and interests through top-level design, constructing a legal framework for both rights guarantees and obligation fulfillment. By issuing the Announcement on Rights and Obligations of Taxpayers (hereinafter referred to as

¹ This case is sourced from the official website of the U.S. Internal Revenue Service:

<https://www.irs.gov/zh-hans/newsroom/taxpayer-bill-of-rights-5>

² This case is sourced from "One Charter, Two Systems: South Korea's 'Dual Insurance' for Taxpayers," China Taxation, <https://mag.ctax.org.cn/Article/Detail?id=41774#>

³ This case is sourced from "The Protection of Taxpayer Rights Under the Taxpayer Charter," published on China Law Network: http://iolaw.cssn.cn/rqf/200907/t20090720_4603110.shtml

⁴ To understand the innovative measures and best practices of Belt and Road Initiative participants in taxpayer service, the BRITACOM Product Portfolio of Taxpayer Service Task Force developed a questionnaire distributed through the Cooperation Mechanism Secretariat. This case study is sourced from the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) questionnaire, with feedback provided by the UAE tax authorities. The same applies below.

the "Announcement"), the 14 rights and 10 obligations of taxpayers are clarified, giving equal importance to both rights and obligations. For the first time in the form of a regulatory document, the Announcement consolidates 14 rights and 10 obligations previously scattered across various laws, including the Law on Tax Collection and Administration of the People's Republic of China and its implementing rules, as well as the Administrative Penalty Law of the People's Republic of China. This addresses the issue of fragmented legal provisions and establishes a legal framework characterized by "clearly defined rights, explicitly stated obligations, and robust procedural safeguards."

(1) Fourteen rights and ten obligations

▲ Fourteen Taxpayer Rights

In the process of fulfilling tax obligations, taxpayers are entitled to the following rights under the law: the right to know, the right to confidentiality, the right to tax supervision, the right to choose tax filing methods, the right to apply for an extension of tax filing, the right to apply for a deferral of tax payment, the right to claim a refund of overpaid taxes, the legal right to enjoy tax incentives, the right to appoint a tax agent, the right to present statements and defenses, the right to refuse inspection if tax inspection credentials and notices are not presented, the right to tax legal remedies, the legal right to request a hearing as, and the right to obtain relevant tax documentation.

▲ Ten Taxpayer Obligations

Taxpayers are legally obligated to fulfill the following duties: registering for taxation in accordance with the law, maintaining accounting books and related documents as required by law, issuing, using, obtaining, and preserving invoices in compliance with legal provisions, filing financial accounting systems and accounting software with authorities, installing and using tax control devices as specified, submitting accurate and timely tax declarations, paying taxes on time, withholding and remitting taxes on behalf of others, cooperating with lawful inspections, promptly providing required information, and reporting other tax-related matters.

(2) Chinese Characteristics in the Institutional Safeguards for Taxpayers' Rights and Interests

China's tax authorities ensure taxpayers' rights, standardize the fulfillment of obligations, and establish a legal framework for rights guarantees and obligation fulfillment by issuing official announcements accompanied by policy interpretations. The value is demonstrated across three dimensions:

▲ The Art of Balancing Rights and Responsibilities

The announcement system achieves a mutual balance of "listing rights and making obligations transparent." The corresponding design of fourteen rights and ten obligations not only prevents disorder in tax collection and administration due to

overly broad rights but also avoids excessive obligations stifling market vitality. This balance is particularly evident in the "right to apply for a deferral of tax payment." The Announcement specifies the conditions for "special difficulties," ensuring taxpayers' liquidity needs while maintaining tax administration order through measures such as a "maximum three-month deferral period."

▲ Implementation Path for Technology Empowerment

In the context of digital transformation and upgrading, we will enhance hierarchical and classified management, achieve full-process online traceability for business operations, and implement intelligent monitoring of tax filing deadlines, service standards, and enforcement actions. This will effectively safeguard taxpayers' rights to know, supervision, and administrative appeal, thereby reducing potential disputes. At the same time, innovative measures such as multilingual and multi-channel outreach have enhanced the effectiveness of publicity and guidance, overcoming geographical limitations and language barriers to serve both "bring in" and "go global" taxpayers.

▲ Dimensions of Communication in Legal Interpretation and Reasoning

Simultaneously issue supporting interpretation materials for the Announcement, focusing on the specific meaning, legal basis, and implementation pathways of rights and obligations to provide a systematic explanation. These materials will be supplemented with concrete analyses of typical cases, transforming abstract legal rules into practical, actionable guidance. This approach aims to eliminate taxpayers' cognitive biases regarding policy provisions and reduce communication costs and enforcement disputes arising from misinterpretations.

3.Refine supporting regulations to ensure full-process rights and interests guarantees standards are properly implemented

Supporting rules serve as a crucial foundation for the standardized implementation of taxpayers' rights and interests guarantees systems. By focusing on the entire tax administration process, these rules establish specific and enforceable regulatory requirements across two key dimensions: procedural rules and accountability rules. This ensures comprehensive guarantees of taxpayers' rights and interests throughout all stages of tax-related operations.

Integrate the requirements for protecting taxpayers' rights and interests into the entire tax process, including registration, filing, audit, and penalties. Define the statutory operational standards for each stage to safeguard taxpayers' rights to know and defense throughout all phases of tax administration. Establish legal time limits and operational criteria for each stage, standardize enforcement procedures, eliminate arbitrary enforcement and procedural violations, and ensure the effective guarantees of taxpayers' legitimate rights and interests across the entire collection and management process through rigorous procedural safeguards.

Establish standards for aligning the responsibilities and power of tax authorities. Clarify the specific legal liabilities of tax authorities and relevant personnel in the

process of tax enforcement for unlawfully exercising their powers and infringing upon the legitimate rights and interests of taxpayers. Define the applicable circumstances and criteria for determining administrative liability and civil compensation, and establish clear accountability and penalty provisions for violations such as procedural noncompliance, information leaks, abuse of discretionary power, and unlawful enforcement. This creates a rigid principle that "authority entails responsibility, power must be supervised, and violations will be punished," compelling tax authorities to perform their duties in accordance with the law and strengthening the guarantees of taxpayers' rights and interests at the accountability level.

It is worth marking that when formulating or adjusting tax policies and collection regulations, opinions and suggestions from taxpayer representatives and industry associations should be gathered through public consultations, hearings, and field visits. The reasonable suggestions proposed by taxpayers should be fully considered and adopted, with the acceptance of these opinions made public. This ensures that tax laws and regulations adequately reflect the interests and demands of taxpayers, while enhancing the scientific rigor, fairness, and practicality of the legal framework.

Mongolia adopts information security management system standards⁵

Since 2022, the Tax Authority has implemented the ISO/IEC 27001 Information Security Management System (ISMS) standard in its operations. Within this framework, measures are taken and monitored to ensure that taxpayers' personal and business confidential data and information are stored securely, kept confidential, and protected, and are properly used, processed, and transmitted in accordance with applicable laws, regulations, and procedures, within clearly defined rights, duties, and requirements.

Step 3: Promote and disseminate the system

The tax authorities shall establish a comprehensive, multi-tiered, and accessible information disclosure and publicity system. This system will publicly share taxpayers' rights and obligations, tax policies and procedures, service timelines and commitments, as well as complaint and reporting channels, etc. It aims to meet the diverse information needs of taxpayers and ensure they can access tax-related information promptly, accurately, and comprehensively.

1.Offline channels. Hold press conferences and policy briefings to promptly release important tax policies and administrative information; set up information boards, electronic displays, and other facilities in Taxpayer Service offices, provide tax policy brochures and materials, and assign dedicated staff to address taxpayer enquiries.

2.Online channels. Establish and continuously optimize the official tax website, including an information disclosure section to centrally publish various types of information. Utilizing platforms such as E-Tax China, enquiry hotline, and mobile tax

⁵ This case is derived from the questionnaire on the tax administration cooperation mechanism under the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM), as reported by the Mongolian tax authorities.

applications, we provide taxpayers with personalized, precise government affairs disclosure and related information enquiry services.

Step 4: Fulfill the statutory obligations of the tax authorities

The tax authorities should enhance the service system, streamline service procedures, facilitate complaint channels, and translate regulatory requirements into tangible, accessible, and monitorable measures to ensure taxpayers' rights are fully protected throughout the entire tax process.

1.Establish a diversified enquiry service system. Focusing on safeguarding taxpayers' rights to information access and professional consultation, we will establish a comprehensive tax advisory service network that deeply integrates "online + offline" platforms and combines the complementary strengths of "AI-powered + human agent" services. For the online channel, establish a 24-hour Intelligent Enquiry platform online to provide instant responses to high-frequency inquiries such as policy Q&A and tax guidance. For the offline channel, optimize the configuration of enquiry zones in Taxpayer Service centers, simultaneously offering multi-language enquiry services to accurately address complex tax-related questions. This ensures taxpayers receive timely and professional answers regarding tax policy awareness, tax procedure mastery, and rights enforcement pathways, thereby fully safeguarding taxpayers' right to information and enquiry.

2.Enhance tax filing convenience. Optimize tax procedures, simplify forms, and implement convenient measures such as online tax filing, appointment-based services, and tolerance for missing documents to reduce processing and waiting times. For taxpayers in vulnerable groups such as the elderly and disabled people, convenient Overall Taxpayer Service including green channels, on-site services, and personalized guidance have been introduced. These measures effectively address the challenges faced by vulnerable groups in tax filing, remove various barriers in the process, and ensure all taxpayers can equally enjoy the benefits of convenient Overall Taxpayer Service, thereby enhancing their sense of fulfillment and satisfaction.

3.Establish a full-chain closed-loop appeal handling mechanism. Streamline multi-channel appeal submission to ensure taxpayers' various rights and interests claims can be conveniently submitted with comprehensive coverage. The tax authorities categorize and register the received appeals, conduct a tiered review, clarify the responsible entity for each stage and the processing time limits for resolution, and promptly provide feedback on the results to taxpayers. This creates a complete closed-loop process where appeals are acknowledged, progress is tracked, and outcomes are communicated, effectively ensuring taxpayers' concerns are addressed and resolved.

4.Provide personalized rights guarantees services. Establish a taxpayer information database and utilize big data technology to accurately identify the rights, interests, and tax-related characteristics of different taxpayers, including Small and Medium-Sized Enterprises, middle and low-income groups, and key tax sources enterprises. Provide targeted services such as customized tax policy guidance, tax-related risk warnings, and rights guarantees guidance to proactively mitigate risks to taxpayers' rights and

interests. For special cases such as key taxpayers, complex tax-related matters, and cross-border taxation, a professional service team is established to provide "one-on-one" exclusive guidance on rights guarantees.

Cape Verde enhances legal framework to protect taxpayers' rights and interests⁶

The tax authorities of Cape Verde have continued to enhance the legislative framework, optimizing the General Tax Code, the Tax Procedure Code, the Tax Enforcement Code, and other tax-related laws and regulations. They have restructured the legislative system to safeguard taxpayer rights, including income declaration, tax assessment, and the right to appeal. In addition, Cape Verde has introduced the Special Legal Regime for Micro and Small Enterprises, providing special legal safeguards for small and micro businesses.

Step 5: Improve the Rights Relief Safeguard Mechanism

Rights relief is the last line of defense for protecting taxpayers' rights and interests, and it is also a key component of institutional development. Only by establishing a relief system with smooth channels, simple procedures, fairness, and efficiency can taxpayers' legal rights be effectively protected.

1.Improve the administrative review system. We continue to optimize the design of the tax administrative review system, simplifying the application materials and processing procedures for appeal. Strictly define the time limits, procedures, and discretionary standards for administrative review. Conduct appeal reviews adhering to the principles of justice, fairness, and transparency. Make review decisions in accordance with laws and regulations and ensure timely delivery, guaranteeing that the appeal process is traceable and the outcomes are subject to oversight.

2.Establish a judicial relief coordination mechanism with judicial authorities. Deepen the collaboration between tax authorities and judicial departments, establish and improve a regular judicial relief coordination mechanism, and effectively safeguard taxpayers' lawful right to file administrative lawsuits in accordance with the law. At the same time, it will provide taxpayers with necessary policy enquiries, material guidance, and other support services for judicial relief, ensuring unimpeded access to judicial remedies and strengthening the judicial safeguards for protecting taxpayers' rights and interests.

3. Establish a compensation and indemnification mechanism. If the tax authorities cause actual losses to the legitimate rights and interests of taxpayers due to illegal administration, improper law enforcement, or negligence in performing duties, taxpayers' right to file for compensation in accordance with the law must be protected. Upon receiving the application, the tax authorities will promptly conduct an investigation and verification, calculate the compensation amount strictly in accordance with legal standards, and make full and timely payment of the relevant funds.

⁶ This case is sourced from the business report of the thematic seminar on the Tax Authorities Theme Day for Portuguese-speaking countries under the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM).

4.Strengthen dispute prevention and early resolution. Establish a scientifically sound tax dispute risk warning indicator model to conduct dynamic monitoring, accurately identify, promptly capture potential dispute risk points, and issue tiered warnings. To address the identified potential risks, we proactively resolved tax-related disputes by engaging in early communication with taxpayers, providing targeted policy guidance, and optimizing law enforcement service methods. These measures helped reduce the occurrence of tax conflicts at the source, lower taxpayers' compliance costs, and maintain a harmonious and stable relations between taxpayers and the tax authorities .

Step 6: Supervision, Evaluation, and Accountability

The protection of taxpayers' rights and interests is a systematic endeavor that requires ongoing oversight and feedback mechanisms to promptly identify issues, summarize experiences, and continuously refine and enhance various systems and measures.

1. Establish a comprehensive oversight system. The tax authorities should establish an internal supervision mechanism, regularly conduct self-inspections and self-corrections regarding rights guarantees, examine policy implementation, regulatory compliance, service quality, and other aspects, while promptly identifying and addressing any issues. At the same time, a third-party evaluation agency is introduced to independently assess the effectiveness of taxpayers' rights and interests protection. Open up channels for public oversight, accept supervision and complaints from other government agencies, taxpayers, industry associations, media, etc., and disclose the oversight results publicly. Issues identified during supervision, inspection, and feedback will be promptly addressed, while effective practices and experiences developed in the work will be summarized and shared in time to continuously enhance the overall level of tax administration and service. For example, the U.S. Congress established the Taxpayer Advocate Service under the IRS Restructuring and Reform Act to safeguard taxpayers' rights and interests and enhance rights guarantees. The agency serves as a "safety net" for taxpayers in disputes with tax authorities and as a "lookout post" for Congress on issues of taxpayer rights and burdens. Since its establishment, the agency has assisted in resolving over 50,000 taxpayer issues, collaborated with the tax authorities on outreach programs, and proposed improvements to tax administration practices as well as legislative reforms to enhance the taxpayer experience—many of which have been adopted by Congress.⁷

Ethiopia establishes a service framework grounded in the Taxpayer Charter⁸

The Ethiopian tax authorities have issued the "Taxpayer Charter," which clearly defines the rights and obligations of both parties in tax collection and payment. To evaluate the effectiveness of their services, the Ethiopian tax authorities regularly

⁷ This case is sourced from "National Taxpayer Advocate Service Submits Annual Report to Congress; Highlights Delays in Employee Retention Credit and Identity Theft Victim Assistance Processing, Calls for Adequate Funding to Improve Taxpayer Services," published on the official IRS website: https://zh-cn.taxpayeradvocate.irs.gov/reports/2024-annual-report-to-congress/newsroom/?f_link_type=f_linkinl_inenote&flow_extra=eyJpbm9pbmVfZGlzcGxheV9wb3NpdGlvbiI6MCwiZG9jX3Bvc2l0aW9uUlJowLCJkb2NfaWQiOiI4ZTljMTVlY2ExOTQ5NTg4LTl4MDIyZDc4ZmRlMTE3MjYifQ%3D%3D

⁸ This case is sourced from the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) questionnaire, as reported by the Ethiopian tax authorities.

conduct satisfaction surveys. Based on the survey results, they assess service quality and implement targeted optimization and improvement measures in response to feedback.

2.Strict accountability mechanisms. Tax authorities should establish a responsibility list, specifying the specific duties of tax departments and personnel at all levels in safeguarding taxpayers' rights and interests, and define accountability measures for misconduct such as inadequate policy implementation, non-compliant law enforcement, service negligence, and information leakage.

3.Incorporate into the performance evaluation system. Incorporate the protection of taxpayers' rights and interests into the performance evaluation system of tax authorities, establish a clear incentive mechanism that rewards excellence and penalizes poor performance, and hold tax authorities and their staff accountable to ensure they fulfill their obligations in safeguarding taxpayers' rights and interests.

Step 7: Advance Coordination of Cross-Border Rights Guarantees

Against the backdrop of increasingly frequent cross-border economic and trade activities, the protection of taxpayers' rights and interests has long transcended the boundaries of individual nations. Enhancing cross-border tax cooperation, standardizing rights guarantees measures, and improving cross-border dispute resolution mechanisms have become essential requirements for upgrading foreign-related tax services and optimizing the international business environment.

1.Establish a coordinated mechanism for protecting cross-border tax rights and interests. Clarify the rules governing the division of tax jurisdiction, non-discriminatory treatment in taxation, information exchange, and dispute resolution for cross-border taxpayers. Incorporate the core rights of cross-border taxpayers, such as the right to fair treatment, the right to information, and the right to remedy, into the agreement provisions to provide a solid and stable institutional framework for cross-border operations.

2.Establish a regional cooperation platform for safeguarding tax rights. Relying on regional cooperation organizations and tax administration cooperation mechanisms, we will establish unified standards and operational guidelines for protecting taxpayers' rights and interests within the region, promote mutual recognition of standards, procedural coordination, and information sharing, reduce tax barriers and inconsistent enforcement across the region, and ensure cross-border taxpayers receive equal protection of their rights and interests throughout the region.

3.Strengthen cross-border tax-related information sharing and security protection. Align with internationally recognized information security management systems and data protection regulations, encourage countries (regions) to adopt unified standards for the storage, transmission, and use of cross-border taxpayers' information, establish a cross-border information security joint prevention and control mechanism, prevent information misuse and data breaches, and strengthen safeguards for cross-border taxpayers' information rights and interests.

EU Issues the European Taxpayer Code (Guidelines)⁹

The European Commission published the European Taxpayer Code (Guidelines) in 2016. This document is not a strict code or charter; it outlines the behavioral standards followed by European taxpayers and the tax authorities of Member States. It consolidates the key rights and obligations governing the relationship between European taxpayers and tax authorities, and applies to all tax-related interactions between taxpayers and the tax authorities of Member States.

The main purpose of the European Taxpayer Code (Guide) is to ensure fair treatment for all taxpayers, enhance legal certainty, improve transparency of information, reduce disputes, establish standardized compliance procedures, and refine tax assessment practices.

The European Taxpayer Code (Guide) outlines four guiding principles:

(1) Fundamental principles, which inform taxpayers and tax authorities about their rights and obligations, including legality, equality, presumption of honesty, courtesy, and respect for the law;

(2) Cooperation principles, governing the interaction between taxpayers and tax authorities, covering information provision, services, critical service standards, general explanations, and advance rulings;

(3) Procedural principles, detailing tax-related procedures from both taxpayer and tax authority perspectives, such as tax filing, assessment, audit, payment, voluntary disclosure, and penalties;

(4) Dispute resolution principles, including internal appeals and judicial review.

[Future Prospects for Institutional Guarantees for Taxpayers' Rights and Interests]

In the future, the institutionalization of taxpayers' rights and interests protection will continue to advance to higher levels, greater depth, and broader scope. With the spirit of the rule of law, we will reshape relations between taxpayers and the tax administration based on equality and mutual trust, empower end-to-end precision safeguards through digital technology, and expand new frontiers for cross-border rights guarantees via international collaboration—transforming rights guarantees from passive remedy to proactive prevention, from procedural compliance to value demonstration, and from individual practice to global consensus. With a legalized, digitalized, and internationalized tax environment, we will safeguard high-quality development, ensuring taxation remains a solid foundation for serving national prosperity, improving people's livelihoods, and promoting social fairness and justice.

⁹ This case is derived from the business report on the topic of tax legal system construction at the 6th Belt and Road Initiative Tax Administration Cooperation Forum (BRITACOF).