

IOTA NEWS

UPDATES ON THE SECRETARIAT

16.06.2023.

Latvia to Launch a Rating System for Companies

In 2024, the State Revenue Service (SRS) will launch a rating system for Latvian companies. Amendments to the law *On Taxes and Fees* were approved by Parliament on 8 June. The new system has two purposes: 1) companies will be able to see their tax payment discipline in detail, which affects cooperation with SRS, and 2) company ratings (general info) will be publicly visible so that possible cooperation partners, customers, and other interested parties can verify the company's overall tax payment performance. SRS will use the taxpayer segmentation system already in place to determine a company's rating, which is based on tax payment history data available to SRS.

Companies will be able to prove their reliability and honesty in tax payments to cooperation partners and the public. It will also provide companies with information on SRS's view of businesses by revealing information on their tax obligations, thus serving as an additional tool to protect honest companies from engaging in transactions with possibly risky partners.

Companies will receive one of five possible ratings, which will also be visible to the public:

A – good tax payment discipline and no significant risks.

B – risk of fulfilling tax obligations in at least one area (registration, declaration submissions, complete data, tax payments) that needs improvement.

C – excluded from the VAT payer register for violations, or SRS has suspended economic activity.

N – does not carry out active economic activity, i.e., does not create paid jobs and does not pay taxes.

J – registered in the last six months.

Any company for which SRS has created an overall rating assessment will be able to view detailed information on its rating in the Electronic Declaration System (EDS), including detailed information on sets of indicators to assist in prevention of tax liabilities.

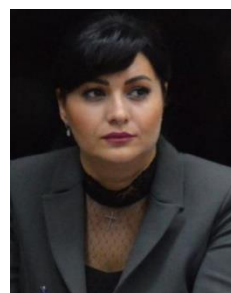
SRS supports honest taxpayers, and checks and control measures are directed only against those whose activities show violations and who risk non-payment of taxes.

Newly Appointed President of the Romanian Tax Administration

16.06.2023.

Ms. Cîrciumaru has over 20 years' experience of working in tax administration and has held a wide range of roles in the organisation. She has held leading positions at both local and regional levels, including being in charge of the Bucharest Regional Office, the most important regional office in Romania, as well as key roles in the headquarters of the Administration. Most recently, Ms. Cîrciumaru held the position of vice president of the organisation and was mainly responsible for coordinating the activity of collecting budget revenues. Ms. Cîrciumaru is a true "tax person", with a huge amount of knowledge gained from her time in the organisation.

Working as a manager at a regional and national level, she has paid particular attention to the international environment and learning from existing best practices in tax administrations around the world. Ms.



ANAF
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Cîrciumaru has also represented Romania in many international conferences (e.g. IFM Conference on Revenue Mobilisation Strategies) in order to fully understand the benefits of international cooperation as well as the latest challenges that tax administrations around the world are facing in the context of globalisation and accelerated digitalisation of society.

In the last few years, she has been part of the leadership of the Romanian Tax Administration, working closely with the previous Senior management of the Tax Administration. As a result, she was actively involved in 2019 and later, in 2021, in the design of the reforms and digital transformation of the Romanian Tax Administration.

IOTA Forum on Combating VAT Fraud

19.06.2023.



IOTA has just carried out another fruitful hybrid activity, the Forum on Combating VAT Fraud took place on 13th -15th June 2023 in Budapest, Hungary. Over 50 tax officials from 27 IOTA member administrations joined in person and more than 200 participants from the membership attended digitally the forum meeting. It was a pleasure to welcome to the event guest speakers from our international partner organisations such as the *European Commission's DG TAXUD* and the *European*

Commission's Anti-Fraud Office (OLAF), the *Organization for Economic Co-operation and Development (OECD)* along with the international enforcement agency, *EUROPOL*. Forum participants explored new VAT fraud trends, exchanged knowledge, and shared good practices on how to handle concrete cases of organised cross-border VAT fraud during the three-day meeting.

On the first day, guest speakers from our international partner organisations set the floor for the meeting and shared insights with the audience on the following topics:

- *Enforcing VAT on digital trade: emerging OECD analysis* presented by *Stéphane Buydens, OECD*
- *Administrative cooperation and combating fraud in the field of VAT, EU – Approach* presented by *Francisco Fernández Monge, EU Commission, TAXUD*
- *The role of OLAF in tackling VAT fraud* presented by *James Creed & Diego Modones, EU Commission, OLAF*
- *Europol's support in fighting MTIC fraud* presented by *Dan Baicu, EUROPOL*

At the meeting, one of the plenary sessions was devoted to examining “prevention activities” in terms of education/due diligence for economic operators and voluntary compliance programmes delivered by IOTA member administrations such as Austria, Hungary, and the United Kingdom. Forum participants also explored new VAT Fraud trends covering luxury items, this topic was worked out by Luxembourg.

- **Austria:** *VAT Fraud Prevention Activities in Austria* presented by *Wolfgang Kolar*
- **Hungary:** *Experience of supportive tax authority actions in Hungary* presented by *Gábor dr. Szliffka*
- **United Kingdom:** *Due Diligence as a Compliance Tool - a UK Perspective* presented by *Simon Vincent*
- **Luxembourg:** *Trade with luxury watches via marketplaces and social media* presented by *Serge Hollerich*

The next parts of the Forum brought new knowledge and another group of insightful presentations from IOTA member administrations onto the stage, and particularly focused on the country's experiences of tackling organised cross-border VAT fraud. The presentations, delivered by Belgium, France, Italy, Lithuania, Norway, and Sweden along with an invited guest country, Singapore, discussed a wide range of cases from

fake invoices, through VAT fraud in the wholesale of electronics to the use of data analysis tools in tackling VAT fraud.

- **Belgium:** *Data Analysis Tools to tackle VAT Fraud: Use cases at the Ministry of Finance Belgium* presented by Pieter Vercruysse & Pascal Beaujeant
- **France:** *Selection and monitoring of distance sellers under the IOSS scheme* presented by Arnaud Pellegrini & Guilhem Peuch
- **Italy:** *Preventing and intercepting VAT fraud through an effective analysis tool* presented by Andrea Damiani & Veronica Mormile
- **Lithuania:** *Suspected VAT fraud in wholesale of electronic and telecommunication equipment sector* presented by Birutė Bieliauskienė
- **Norway:** *Adult entertainment – the forgotten VAT gap?* presented by Geir Otto Jensen
- **Sweden:** *Fake invoices in cross-border VAT-fraud with mobile phones: a case from the Swedish Tax Administration* presented by Martin Olsson
- **Singapore:** *Missing Trader Fraud (“MTF”) Case Sharing by Singapore* presented by Kenny Hor

The presented cases and issues were discussed by the participants in smaller breakout sessions in order to exchange their own views, ideas, and experiences regarding the Forum topic on tackling organised cross-border VAT fraud. At the end of the event, Forum attendees were also actively involved in an open debate to share lessons learned and discuss the main benefits of the 3-day technical activity.

The State Revenue Service (SRS) of Latvia Announces its Development Strategy for 2023-2026

21.06.2023.

The State Revenue Service (SRS) of Latvia has approved and published its development strategy for the next four years, setting out the institution's priorities, goals, and tasks.

Among the priorities is the development of more targeted baskets of services based on taxpayer behaviour and in the case of honest fulfilment of obligations – new benefits. In the future, SRS will review more carefully outgoing communication with clients so that it is simpler and more understandable. Simultaneously, SRS will direct increased attention to the development of its data research practice so that negative trends can be identified at an early stage.

In general, the goals and tasks of the institution are planned in five main directions.

The first priority is services – SRS aims to help every citizen and company to fulfil their tax and customs obligations, honestly and on time.

The second is compliance – intelligent supervision and fair treatment.

The third is people – providing professional development and strengthening employee integrity and motivation.

The fourth priority – institutional and organisational development and efficiency.

And last, but not least, sustainability – investment in the future of society by adapting to global changes.

This strategy was developed with the participation of local social and cooperation partners; the project was funded by the European Union Structural Reform Support Programme and implemented by PricewaterhouseCoopers.

HUNGARIAN PRESIDENCY RECEIVES IOTA FLAG

21.06.2023.

IOTA is glad to inform you that the *National Tax and Customs Administration of Hungary* took over the Presidency from the *Georgia Revenue Service* at the 27th General Assembly of IOTA in Tbilisi.

Last year, the General Assembly appointed the National Tax and Customs Administration of Hungary (NTCA) as the next Presidency of IOTA for the period 2023/2024, making Ferenc Vágújhelyi the new President of IOTA for the following one-year term. Hungary is one of the 7 founding members of IOTA and has held IOTA Presidency previously during the 1998/1999 and 2005/2006 terms.

Levan Kakava, the Head of Georgia Revenue Service, and outgoing President of IOTA handed over the IOTA flag to Ferenc Vágújhelyi, Commissioner of NTCA at the end of the Administrative Session. Traditionally, the flag is handed over to the newly appointed Presidency during the General Assembly.



SRS: Only Licensed Accountants can Provide Accounting Services in Latvia

03.07.2023.

As of July 1, outsourced accounting (bookkeeping) services may be provided by licensed accountants only. Licenses are issued by the State Revenue Service (SRS). The licensing system will provide quality service and safety guarantees thereby reducing shadow economy risks and increasing the international credibility of the Latvian economy.

SRS invites all entrepreneurs who already use or plan to use outsourced accounting services to make sure that the accountant or accounting company is licensed. This information can be found in the public database section of the SRS homepage www.vid.gov.lv - "Register of licensed outsourcing accountants".

How to get an accountant's license?

To receive a license, you must provide proof of professional qualifications, experience, an Internal Control System (ICS), and civil liability insurance policy and pay a state fee.

The license can be obtained remotely through the Electronic Declaration System (EDS) by filling out the "Application for receiving an outsourced accountant's license".

SRS Offers More Favourable Tax Payment Options for Taxpayers

01.08.2023.

New agreement options are now available to entrepreneurs and citizens for whom SRS has initiated tax checks and identified unpaid tax payments, which can reduce late fines up to 85% or completely cancel fines. The sooner an agreement is reached, the greater the reduction of the fine.

Amendments to the law "On Taxes and Fees" (Section 41) motivate taxpayers to conclude agreements with SRS (before SRS had published a final decision) by reducing penalty payments and increasing the payment deadline for residents who do not engage in economic activity to two years instead of one. These agreements can replace lengthy legal disputes and facilitate collection of unpaid taxes.

Undeclared and unpaid tax can be detected by SRS through two types of checks - tax control or tax audit. As part of tax control, SRS assesses specific non-compliance and, if unpaid taxes are discovered, issues a bill for the unpaid tax and a late payment fee. No fines are usually applied, except in situations in which illegal manipulations with cash registers have been made. In this case, the bill includes only a fine and cannot be negotiated. A tax audit is a comprehensive examination of a taxpayer in cases of significant non-payment of taxes. A fine is applied in addition to outstanding tax payments and late fees.

Settlement agreements **do not** cancel the obligation to pay taxes but allow for a reduction of late fees and fines if payment is made voluntarily within the specified terms of the agreement. The earlier the agreement is reached, the greater the reduction.

An agreement reached as a result of **tax control** offers:

- 85% reduction of the late fee if paid before the tax bill is issued,
- 75% reduction of the late fee after the tax bill is issued but paid before the final due date,
- 55% reduction during legal proceedings in the first instance, but 10% reduction in each subsequent court instance.

An agreement reached as a result of **tax audit** offers:

- 60% reduction of the late fee and 60% of the fine if paid before the audit results are issued,
- 50% reduction of the late fee after the audit results are issued but paid before the final due date for contesting or appealing; the fine may be reduced by 85%, 50%, or cancelled completely, depending on the violation,
- 30% or 65% of late fees and fines are waived during legal proceedings in the first instance, depending on the offense, but in each subsequent court instance, the amount is reduced by 10%.

All payments – taxes and reduced late fees and penalties, if any – must be paid to the state within a year from the day of the conclusion of the agreement. Payments can be made monthly. The exception is for residents (natural persons) who do not carry out economic activity: they may make these payments within two years, paying monthly if desired.

If the terms of agreement are not met, the agreement becomes invalid. In this case, the unpaid part of the principal debt will be calculated for the entire late period and overdue payments will be recovered with no possibility for appeal.

The new terms are valid for tax controls and audits that have commenced since June 30. All previously initiated and unresolved SRS inspections are subject to terms under the previous legislation.

SUCCESSFULLY ORGANISED IOTA-OECD ISORA 2023 WORKSHOP IN VIENNA, AUSTRIA

12.09.2023.

On 6-8 September 2023, a successful joint IOTA-OECD ISORA 2023 Workshop took place in Vienna, Austria. The 3-day event was hosted by the Federal Ministry of Finance of the Republic of Austria. The IOTA's organiser team including Roman Bichevoy, Strategy & Institutional Development Manager, and Oksana Stepanenko, International Taxation Expert represented IOTA Secretariat at the Workshop.

The Workshop brought together nearly 55 in-person participants from 35 countries, mostly from the IOTA membership. Plenary sessions of the workshop were broadcast live through Microsoft Teams (MS), where participants from up to 10 other participating countries could follow the presentations virtually.

The purpose of this three-day workshop was to introduce a new periodic ISORA 2023 survey, as well as to continue sharing knowledge and best practices among ISORA participants on survey completion and data usage for the benefit of tax administrations. The event was practical in nature combining plenary sessions, country presentations, open debates, and breakout group discussions. The participants were presented with a detailed overview of the comprehensive ISORA 2023 survey on the data collection platform, they had a closer look at the functionalities of the RA-FIT data portal, and they also shared their experience of working with ISORA.

On the first day, presentations were made by ISORA coordinators and data analysts from Greece and the Netherlands on their recent experience and best examples of using ISORA data for organizational planning, comparison of performance, engagement with other jurisdictions, and other purposes. Another thematic session on the third day of the workshop was dedicated to sharing good practices for ISORA preparation and completion, where ISORA coordinators from Ukraine and Saudi Arabia presented their approaches to collecting the data, coordinating within the organization to make sure that all stakeholders have a common understanding of the content, cross-checking the collected data and engagement of the senior management in overseeing the ISORA survey completion.

2nd NTO Technical Conference "Digitalisation of Tax Administrations and Contemporary Issues"

19.09.2023.

On 5-7 September 2023, the Network of Tax Organisations (NTO) Council and its nine-member organisations, including IOTA, in collaboration with the African Tax Administration Forum (ATAF) successfully held the 2nd NTO Technical Conference in Cape Town, South Africa. The hybrid event ran under the main theme of "Digitalisation of Tax Administrations and Contemporary Issues" and was joined by over 150 participants in-person and over 200 virtually including the heads and representatives of 10 regional tax organisations along with the *Study Group on Asia-Pacific Tax Administration and Research (SGATAR)* as the newest member of the NTO.



Hosted by the *African Tax Administration Forum (ATAF)*, this year's conference discussed the digital transformation of tax administrations, tax compliance, and enforcement technology, in addition to focusing on emerging technologies and their potential impact on revenue administrations. Key highlights of the conference were the country case studies, empirical research on the impact of digitalisation on tax administration, and the lessons can draw from these both collectively and individually. The Cape Town conference was opened by the *Head of the NTO Council and Executive Secretary of the African Tax*

Administration Forum (ATAF), Mr. Logan Wort, and received inputs from the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission. IOTA also had the pleasure of contributing to the technical program of the conference by offering presentations from its member tax administrations during the plenary and breakout sessions.

On the first day of the conference, the focus was on the digital transformation of tax administrations. Participants were provided with an overview of the tools to measure progress in the digitalisation journey towards seamless and frictionless tax administration, and the key elements of success. The presenters emphasized the importance of positive leadership and the centrality of people in tax administration. It was concluded that the digitalisation journey can be successful only through strategic clarity, a compelling vision, and a shared purpose.

The second day of the conference set the floor for interventions from the *IOTA member tax administrations* as well. The main topic of this day revolved around Tax compliance and enforcement technology and highlighted the transformative role of technology in reshaping tax compliance, spotlighting the efficiency and empowerment brought about by e-filing and modern data collection methods.

At the '*Plenary session 3: Empowering Taxpayers through Technology-Driven Services and Education*', Mr. Ferenc Vágújhelyi, President of IOTA and Commissioner of the National Tax and Customs Administration of Hungary took the floor for a presentation. The objective of this session was to explore the potential of technology-driven services in enhancing tax compliance and reducing compliance costs. The focus was on how technology can be leveraged to improve the efficiency and effectiveness of tax compliance, including the use of data analytics, e-filing, and e-payment systems. During this session, conference participants also examined the challenges faced by tax administrators the preparedness of taxpayers in implementing technology-driven services, and the strategies for overcoming these challenges. In his speech, Mr. Vágújhelyi reflected on these matters and highlighted the initiatives and projects related to the following topics:

- Empowering the taxpayer: changing paradigm;
- Electronic tax return system;
- Digital identification of taxpayers;
- How to help taxpayers to maintain business data integrity;
- Event-based Reporting Platform;
- Hungarian innovation: paying vehicle tax via app;
- Providing tax information in a ready-to-understand format to taxpayers.

At the panel discussion, another IOTA member tax administration, the Italian Revenue Agency, was represented by Ms. Francesca Vitale, Head of the International Department. Ms. Vitale shared the main challenges, such as re-skilling and diversifying competency profiles of employees, the Italian Revenue Agency faced in moving to a digital administration and utilising tools and technology for improving tax compliance. As for lessons learned from the digital transformation journey of the Italian Revenue Agency, Ms. Vitale pointed out the importance of drawing your own sufficiently broad (medium, long-term) vision, having a gradual approach to digital identity, digital policy, and digital investments, and allowing time and efforts to mature, remain consistent and gain broadest political and social support from the government, taxpayers and stakeholders.

This panel debate was joined by Mr. Aurice Akakpo, Deputy Director of IT, Directorate General of Taxation of Benin (DGI) along with Mr. Darlington Y. Talery, Commissioner, Liberia Revenue Authority, and was moderated by Mr. Babatunde Oladapo, Executive Secretary, West African Tax Administration Forum (WATAF). A significant milestone also unfolded on the second day as the Study Group on Asia-Pacific Tax Administration and Research (SGATAR) officially joined as the 10th member organisation of the Network of Tax Administrations. The signing ceremony marks a substantial step forward in NTO's shared interest in enhancing the performance of tax administrations across the globe.

The third day of the conference also brought new engaging discussions and another IOTA member administration onto the stage. During the *Breakout session 4: Cyber Risks and Threats Facing Tax*

Administrations Ms. Mariami Khutsisvili, Chief Operating Officer of the Information Security Team, Georgia Department of Revenue delivered a case study presentation. Ms. Mariami Khutsisvili presented information security policies, procedures, and guidelines adopted in the administration for handling cyber incidents as well as user education, awareness, and training (e.g., cybersecurity courses) of the employees as part of the institutional HR development plan. Furthermore, Ms. Khutsisvili gave a comprehensive overview of the technological infrastructure and tools successfully implemented for the detection and protection of the administration's networks and devices from cyber-attacks.

The objective of this session was to raise awareness and educate participants on the current and evolving cyber risks and threats that tax administration systems, processes, and data face, including hacking, phishing, malware, and ransomware attacks. The session evaluated the importance of developing and implementing effective cybersecurity strategies to mitigate them. This session was moderated by *Mr. Emeka Nwankwo, Manager, Domestic Taxes, ATAF.*

During the closing ceremony of the 2nd NTO Conference, the NTO Council and the delegates emphasized the necessity for closer cooperation and knowledge-sharing between global tax authorities. The NTO was tasked with playing a more significant role in the digital transformation of tax administrations internationally.

The NTO is a network of 10 regional and international tax organisations including IOTA. It supports the capacity of NTO member organisations and their member tax administrations by fostering international collaboration and dialogue on tax issues for effective domestic resource mobilisation (DRM).

Using Unstructured Data to Improve Compliance Risk Management in Tax Administrations

29.09.2023.



On 27-28 September 2023, IOTA successfully held its latest workshop, "Using Unstructured Data to Improve Compliance Risk Management in Tax Administrations". This digital event had over 160 registered participants from 31 IOTA countries and featured speakers from various member tax administrations including Finland, Italy, Norway, and the United Kingdom, as well as presenters from the business community such as Avalara and Fonoa.

This 2-day IOTA workshop provided an opportunity for the IOTA member tax administrations to discuss the approaches they have taken to storing, managing, and analysing unstructured data, and how it has been used to identify non-compliance. Digital participants were able to look at some current good practices and consider how to improve the use of unstructured data in their own administration.

On the first day of the workshop, speakers from the business community took the virtual stage. Alex Baulf, a senior director of Avalara, spoke about the challenges and opportunities of e-reporting tax data. He discussed the main differences between local and global e-invoicing, including its models and challenges. This was followed by a presentation from Alexander Kobakhidze, the Director of Tax Technology at Fonoa. He provided insights into how different business operating models and data protection considerations can impact on the ability of businesses to respond rapidly to information requests from tax authorities. Finally, Tim Callagan, from the HMRC Security and Governance team, gave a presentation on "Logical Access to Data." He provided an overview of how HMRC manage and control access to data, both from a policy and a practical perspective.

The second day of the workshop provided an opportunity for IOTA member countries to share their views and experiences on using unstructured data. The following subjects were covered:

- **Finland** "Navigating Unstructured Data" presented by *Tommi Inkilä*;
- **Italy** "Use of descriptor in e-invoices" presented by *Antonio Virgillito*;
- **Norway** "Improving compliance using Chat GPT" presented by *Nader Aeinehchi*; and
- **the United Kingdom** "Use of Financial Data" presented by *Joshua Bowler*

Forum on Tax Debt Management "Tax Debt Management between a Rock and a Hard Place"

06.10.2023.

On 3-5 October 2023, IOTA had the pleasure of organising the Forum on Tax Debt Management "Tax Debt Management between a Rock and a Hard Place", as the first hybrid event of the IOTA Work Programme 2023 autumn's activity. The

Forum took place in Budapest, Hungary, and brought together over 50 tax officials from 26 IOTA member administrations in person and more than 80 attendees digitally in order to learn more about strategies, working plans, and tailored approaches to decreasing tax debts in the period of global crises. Additionally, it was an absolute honour to welcome to the event guest speakers from our international partner organisations, the European Commission and the OECD.



The emerging geo-political situation slowly led to a new global recession, represented by economy and energy crises, high inflation, increasing costs and interest rates. Finding themselves "between a rock and a hard place", IOTA member tax administrations are undertaking different approaches to reduce the backlog of tax debts resulting from the crises on the one hand, but on the other hand to offer support to their clients and help them overcome the payment difficulties caused by global economic crises.

One of the first activities of the Forum was a *News Headlines Session with "Coffee or Tea"* which offered the participants a unique opportunity to reflect briefly on the "Country tax debt management news headlines" and share their novelties in their Tax administration related to tax debt management.

The first day of the Forum featured speakers from various member tax administrations including Austria, Belgium, Estonia, Latvia, Lithuania, France, Portugal along the United Kingdom. The two IOTA member countries France and Estonia presented different approaches to reducing the backlog of tax debts in the current and forthcoming period with the following presentations:

- **Belgium:** "Reducing the tax backlog: from collection strategy to artificial intelligence" presented by Felicie Nyiboka Bokwetenge;
- **Estonia:** "Flexible and improved measures in arranging instalment plans" presented by Karel Miisna & Liina Jõõts.

At the next session of the day, the need for improvements in the tax debt segmentation and risk analysis models was highlighted by several IOTA member administrations in order to apply these models as a tool for fact-based decision-making and moving in the right direction. The following countries reflected on this topic:

- **Latvia:** "Taxpayer segmentation - a path to wise and effective debt management" presented by Inese Birzniece;
- **Lithuania:** "Segmentation and risk analysis as main pillars supporting best-in-class modern debt collection" presented by Vitalija Burdeinaja;
- **the United Kingdom:** "Customer Segmentation for Debt Collection" presented by Jayne Henderson-Hamilton.

This session was complemented by a Group session organised as a practical exercise where participants had an opportunity to work in small groups and perform tasks on tax debtor segmentation models. During the latter half of the day, speakers from the IOTA community discussed different approaches as well as expressed the need to continue the supporting measures and incentives to overcome the challenges imposed by the crises. This topic was covered by France, Portugal, and Austria:

- **France:** "The French implementation of support measures to businesses in financial distress" presented by Antoine Molitor;
- **Portugal:** "Garnishments of bank accounts balances by data transmission" presented by Ana Tavares Silva;
- **Austria:** "Generational Change at the Tax Office Austria: Opportunity for Fresh Air or Loss of Knowledge and Chaos?" presented by Ursula Mandak-Hütter.

The second day of the event was also filled with invaluable insights and enlightening presentations from IOTA member administrations as it opened the floor for interventions from the OECD and European Commission as well. Under the theme of *Strengthening the capacity of TDM function* Greece and Bosnia and Herzegovina (ITA) delivered presentations:

- **Greece:** "Tax and Customs Academy's (IAPR) contribution to reducing tax debts" by Ioanna Tsinti & Maria Stymfaliadou, (joining online);
- **Bosnia and Herzegovina (ITA):** "Debt Management Maturity Self-Assessment and Debt Management Strengthening" by Ena Seremet.

After this session, speakers from Greece and Sweden gave an overview of the various procedural issues and unclarities in the practical implementation of debt write-offs, debt re-structuring, and pre-insolvency procedures.

- **Greece:** "Implementation of the new out-of-court (OCW) debt restructuring scheme legislation by the IAPR" by Eleni Beka & Evangelia Sotiropoulou;
- **Sweden:** "Deferments and payment plans" by Erik Karlsson.

Furthermore, IOTA member tax administrations such as Poland and the Netherlands, presented their views on overcoming the challenges of the insolvency and bankruptcy procedure including cross-border insolvency

- **the Netherlands:** "Alternative way of cross border tax collection - private debt collection agencies" by Paul van der Smitte;
- **Poland:** "PAOE in the field of recovery of claims - Polish experience" by Iwona Banach.

Following the session, the participants divided into small groups shared their views and discussed their vision for managing the surge of insolvent and bankrupt companies in the years ahead and the methods to deal with them, during a Group discussion session.

Finally, the last session of day 1 of the Forum meeting was dedicated to an update from the international organisation on their activities in the field of Tax Debt Management. *Luk Vandenberghe* from the *European Commission's DG TAXUD* updated the Forum participants about the activities of the European Commission for improving recovery at the national level and improving assistance at the EU level as well as assistance with third countries. *Michael Roekarts*, the *Lead of the OECD Tax Debt Management Network (TDMN)* briefed the audience on the current and future plans & priorities to enhance cooperation in the field of tax collection and recovery.

The closing day of the Forum shared new country experiences on the emerging issues in the recovery of the tax debts from assets that are difficult to recover (incl. cryptocurrency/crypto-assets) and put the IOTA member tax administrations of Norway and the United Kingdom's presentations into the spotlight.

- **Norway:** "Seize, store and sell crypto-assets – asset recovery" presented by Henning Furuhoi;
- **the United Kingdom:** "Recovering Tax Debts from Assets that are difficult to recover" presented by Mark Goodridge.

These presentations were complemented by the Hungarian Tax Administration's (National Tax and Customs Administration, NTCA) experiences in the effective enforcement of assets deposited in digital wallets. This reflection was delivered by Katalin Kanizsai Dr (LL.M.) Expert (NTCA). Forum participants were also updated on the Forum's subgroup Work as well as on the vision of the further steps in tax debt management activities of IOTA.

At the end of the event, the Steering Group members and the Forum attendees were actively involved in an open debate on planning the next year's Forum meeting and sharing new (out-of-the-box) ideas on the Forum's topics and the format along with the to share lessons learned and discussion on the main benefits of the 3-day technical activity.

All the materials and presentations are now available online and the event recording will be uploaded soon to the event's webpage. This event was led by the IOTA International Taxation Expert Ivana Donchevska and supported by the IOTA Work Programme Manager Eugenijus Soldatkovas.

IOTA Forum on Communication "How Digitalisation Reshapes Tax Communication and Unleashes the Power of Technology for Efficient Compliance"

24.10.2023.

On 10-12 October 2023, IOTA successfully organised the Forum on Communication with the main theme of "How Digitalisation Reshapes Tax Communication and Unleashes the Power of Technology for Efficient Compliance" in Budapest, Hungary. The 3-day meeting

provided a great opportunity to explore how IOTA member tax administrations adapt to new digital communication channels and how these tools improve trust and connection with taxpayers. The hybrid event was joined by over 40 communication experts from 28 IOTA member tax administrations gathered in person at the venue and more than 80 attendees connected online to the activity.

Welcome remarks by Alix Perrignon de Troyes, Executive Secretary of IOTA set the floor for the Forum which featured speakers from various IOTA member tax administrations including Bulgaria, Denmark, Finland, Italy, Lithuania, Portugal, Romania, Spain, Sweden, and the United Kingdom. Additionally, it was an honor to welcome Michaela Sullivan-Paul as an online guest speaker from the OECD's Science, Technology, and Innovation Directorate.

Over recent years, the communications landscape has changed, and the way tax administrations update taxpayers and publish information has been transformed. In this new tax communication environment digitalisation is a necessity as the use of new digital communication channels is crucial, which is based more and more on technology, apps, social media, IT tools, AI technology, and more. On the first day of the event, Forum participants explored the IOTA member countries' experiences with digital communication channels, in this session, the floor was opened for country presentations firstly by Finland, Italy, Portugal, and then Bulgaria along with Spain.

- **Finland:** Using AI for content creation: first experiences of the Finnish Tax Administration co-presented by Terhi Karttunen & Outi Toijanniemi;
- **Italy:** The Italian Revenue Agency's digital communication strategy to connect with taxpayers presented by Giulia Marconi;



- **Portugal:** Enhancing voluntary compliance through digital services – the Portuguese communication strategy co-presented by Alexandra Isabel Gonçalves & Margarida Fonseca;
- **Bulgaria:** Digital Communication Channels Used by the National Revenue Agency in Bulgaria presented by Gabriela Tsatsarova;
- **Spain:** Improving forms of digital communication co-presented by Maria Teresa Bernácer & Gema Jiménez Martín.

The second day of the Forum brought another group of insightful presentations focusing on IOTA member country experiences in measuring the effect and impact of digital communication tools. A significant milestone also unfolded at the event with the reveal of the [IOTA Report on Communication and Nudging Techniques](#). This freshly released Report explains how IOTA member tax administrations use nudging techniques in their taxpayer communication activities as well as how the effects of these techniques are analysed to understand the impact and the ethical considerations made in the design phase. The Report is based on data provided by 25 IOTA member tax administrations participating in Country Surveys conducted between June and September 2022 and was written and prepared by the Subgroup of the IOTA Forum on Communication. The nine members of the Subgroup include *Christian Rydal Kirkebæk, Denmark; Andrew Murray, Ireland; Alessandra Gambadoro, Italy; Agnè Jakubauskaitė, Lithuania; Dinda Maas, the Netherlands; Bente K. Tranberg, Norway; Nina Serdarevic, Norway; Ramon Domingo Palacios, Spain; and Nancy Brewster, United Kingdom*. We do believe and hope this Report will provide tax administrations with a greater understanding of IOTA members' approaches to nudging techniques and how these techniques can be applied more widely. During this dedicated session to the Report, the following presentation reflected on the publication:

- **Subgroup Presentation** of key results from the Report on Communication and Nudging Techniques co-presented by Christian Rydal Kirkebæk, Denmark; Nina Serdarevic, Norway; Agnè Jakubauskaitė, Lithuania & Alessandra Gambadoro, Italy.
- **OECD:** Ethical BI for Taxation Communications: applying the OECD's Good Practice Principles presented by Michaela Sullivan-Paul;
- **United Kingdom:** How Behavioural Insights informed a new digital interactive guidance tool for UK taxpayers presented by Faith O'Rorke & Soma Chaudhury.

In the latter half of this day, speakers focused on their administrations' experiences in measuring the effect and impact of digital communication tools. The following country presentations covered this topic:

- **United Kingdom:** Transforming HMRC's digital services: how communications changed customer behaviour presented by Rachel Forster;
- **Norway:** How to avoid 50% Tax - the fairytale of the Tax card presented by Bente Karmann Tranberg;
- **Lithuania:** Digital Communication by Default: What Now? Presented by Irma Juškaitė;
- **Romania:** Communication with taxpayers in digital era presented by Lucian Neacsu.

The closing day of the Forum took further the previous day's topic and explored two pilot projects from Sweden and the IOTA Secretariat:

- **Norway:** How to communicate about sanctions? Presented by Nina Serdarevic
- **Sweden:** Presentation of a pilot project – How to get influencers and content producers to spread your message about income tax declaration through podcasts, TikTok, and YouTube co-presented by Maria Ekman & Jimmy Gustafsson;
- **IOTA Secretariat:** Presentation of a pilot project - IOTA Blog – The latest communication development on the IOTA's horizon presented by Erika Szabó.

The presentations on both days were supported by group discussions as Forum attendees were also actively involved in an open debate on the last day in order to share lessons learned and discuss the main benefits of the 3-day technical activity. This event was moderated by the IOTA Communication Specialist Erika Szabó & supported by the IOTA International Taxation Expert Massimo Morarelli. We would also like to express our gratitude to Andras Lang-Miticzky, photographer of the Hungarian National Tax and Customs Administration (NTCA) for capturing our best moments during the meeting.

IOTA Peer-to-Peer Technical Assistance Project “Roll-out of transfer pricing legislation in Malta”

25.10.2023



Malta and the Slovak Republic shared experience in the framework of the IOTA Peer-to-Peer Technical Assistance Project “Roll-out of transfer pricing legislation in Malta”. The latest IOTA Peer-to-Peer Technical Assistance Project was successfully implemented by the Financial Directorate of the Slovak Republic as the Provider and Malta Tax and Customs Administration as the Beneficiary.

In the context of newly introduced transfer pricing legislation in Malta, the overall objectives of technical assistance were to address the technical gaps in specific areas of transfer pricing and to provide useful insights on the application of transfer pricing legislation. The specific objectives were to discuss case studies encountered by the Slovak experts and the application of the technical OECD transfer pricing guidance for such cases.

On 3-7 July 2023, two high-level transfer pricing trainers from Slovakia, Ms. Silvia Karellová and Ms. Katarína Lafférsová delivered an in-person Workshop in Malta, which was attended by 25 tax officials, including experts from the Maltese Competent Authority and tax auditors.

During the 5 days of the event, participants focused on both general and specific transfer pricing topics, starting from arm’s length principle, comparability analysis, and transfer pricing methods, through transfer pricing risk indicators, database search, benchmarking, and finally to advanced pricing agreements and MAP procedures and transfer pricing approaches to specific transactions: intangibles, intra-group services, cost contribution agreements, financial transactions. All thematic sessions were supported by real case studies, which were found very useful. Additionally, during a dedicated session, the trainees received a greater familiarisation of the use of transfer pricing databases especially on specific databases for financial transactions.

Overall, the Parties agreed that the project was successful and that the obtained knowledge will help the Beneficiary to initiate such next steps as issuing of the transfer pricing guidelines in relation to the local transfer pricing legislation and investing in further capacity building to operate such rules.

IOTA’s official study visit to CIAT

27.10.2023

On 4-11 October 2023, IOTA successfully conducted an official study visit to the *Inter-American Center of Tax Administration (CIAT)**. Under the framework of the Peer-to-Peer Cooperation Program between organizations members of the *Network of Tax Organizations (NTO)**

the IOTA Strategy and Institutional Development Manager, Roman Bichevoy together with the PITAA Training Coordinator/ Office Administrator, Petero Maivucevuce had the opportunity to take part in a study visit at the CIAT Executive Secretariat in Panama City, Panama. The study visit was organised and led by the CIAT Project Manager, David Borja. During the official visit, Roman Bichevoy had a productive series of meetings with CIAT's management. The officials included the CIAT Executive Secretary, Márcio F. Verdi, along with directors, and other senior officials from the CIAT Secretariat. CIAT's officials provided practical examples and held Q&A discussions to help the delegates better understand their secretariat's operations. The



representatives of IOTA and PITAA were also informed on the composition and functions of the Finance Subcommittee of the CIAT Executive Council, technical assistance, and many other aspects of CIAT work. It was a great opportunity to learn from other international tax organisations like CIAT at a time when IOTA is developing its technical assistance and working on its financial sustainability. This was also an opportunity to discuss the future and ideas of the strategic development of NTO.

Language simplification in the Spanish Tax Agency's communications

13.11.2023

As committed in the Strategic Plan 2020-2023, the Spanish Tax Agency has made progress in the simplification of the language used in the communications with taxpayers with the aim to eliminate barriers to understanding and minimize the indirect administrative burden to citizens, thus facilitating voluntary compliance. To this end, the Tax Agency has modified up to eight communication and notification templates used in its most common procedures. These revisions, which will be implemented gradually in the coming months, will reach more than 3.7 million documents per year. The templates modified include the Personal Income Tax assessments and requests of information, seizure notifications, Customs declarations of small consignments (mainly in online purchases), representation document and communication of taxpayers' rights and guarantees.

A strategic objective

The Agency's Strategic Plan 2020-2023 established the commitment to advance in improving communications to taxpayers and facilitate the understanding of administrative language, making the text of the most common documents more understandable and simpler for taxpayers. This initiative adds onto the continuous development of the virtual assistance and other online assistance tools Tax Agency: Virtual assistance tools (agenciatributaria.gob.es) that understand and use the colloquial language to inform taxpayers on their tax liabilities.

Main modifications

Several elements have been combined to achieve the clarification of the language goal, namely:

- Shortening of communications' length
- Reduction of the volume of information conveyed
- Highlight of the most relevant information, including a content summary at the beginning of the longest communications
- Redesign of layout and structure of the information

All this without leaving apart the required correctness of the legal concepts utilised.

Among the modifications carried out in the Tax Agency's document, the new **content summary** must be highlighted.

The first page of the revised communications and notifications will include from now on a new informative summary with the basic information of each document: what citizens are receiving, why they are receiving it, what they should do after receiving it and where they can get help and have their doubts solved.

The new content summary follows the same philosophy of clear and direct language that is already being used in the appointment application available on the Tax Agency's website, with a concise question and answer scheme and a design that facilitates an agile reading.

Redesign for an easier reading

The body of the documents and their annexes have also been revised and a new design with graphic elements has been introduced in order to highlight and separate the different sections. In addition, and a reading friendly font size is utilised. Likewise, the most complex sentences have been reviewed and made more concise and accessible. This has led to a length reduction in some communications while at the same time improving the clarity of the information conveyed.

Additional Personalized Assistance

On top of these improvements, it is planned that the recipient of the new documents has the possibility to obtaining direct and personalized assistance from the Tax Agency through the Integral Digital Administrations (ADIs).

With this ongoing project, the Tax Agency continues to advance in its strategy to facilitate tax compliance through an integral assistance model that can be customized to the needs of each citizen, so that it is the citizens who decide the channel through which they want or need to be assisted, be it either digital or in-person.

IOTA Executive Secretary at the “SRS 30. Transformation and Sustainability” International Conference

13.11.2023

On 1 November 2023, Latvia, one of the founding members of IOTA, celebrated the 30th anniversary of the foundation of their State Revenue Service (SRS). On the occasion of this anniversary, SRS organised a large-scale international conference in Riga, Latvia, focusing on the theme of “*SRS 30. Transformation and Sustainability*”. At this conference, IOTA was represented by its *Executive Secretary, Alix Perrignon de Troyes* who joined online this remarkable experience.



The event welcomed a large number of participants from Latvia but also international tax administrations and organisations, and academia to discuss the most important current issues in the development of tax administrations: the creation of excellent customer experience, safety challenges, and possibilities created by modern and efficient data processing and analysis.

As one of the opening speakers, *Alix Perrignon de Troyes* expressed her appreciation and gratitude to the State Revenue Service for their strong engagement and fruitful collaboration with IOTA and stressed the importance of digital transformation and sustainability in taxation along with their potential benefits and challenges for tax administrations.

Alix Perrignon de Troyes said “*Increased digitalisation and the development of new analytical tools has significantly reinforced the efficiency and effectiveness of tax administration and has helped to reduce burdens to a greater or lesser extent for different taxpayer segments. Obviously, the tax administrations need to assess which level of technology is appropriate for them, depending on the complexity of their tax system, the availability of IT infrastructure, and the level of sophistication of their taxpayers. There may be several obstacles: lack of funds or political will to invest in new systems, insufficient telecommunications infrastructure, or a cultural reluctance to abandon paper-based systems.*”

She also talked about sustainability which, as she said, means investing in the future not only internally but also with external stakeholders to ensure the sustainable growth of tax administrations, saying “*In the SRS Strategy 2023-2026 it is clearly stated that respect for sustainability is essential, especially in today's changing environment. SRS Development Strategy for 2023-2026 emphasized the economic value for clients, employees, and society in general, but also by promoting social inclusion and environmental protection. But it is important to reinforce the trust in the use of data and at IOTA we have run digital workshops dedicated to the use of data to improve compliance risk management in tax administrations last year one was dedicated in that matter to the use of unstructured data and another one to the use of big data*”.

She also took the opportunity to draw the audience's attention to two of IOTA's technical activities, the *Forum on Communication* and the *Human Resources Forum*, as both activities focus on the latest digital trends and strategies in taxation. At the end of her remarks, *Mrs. Perrignon de Troyes* highlighted the role of IOTA as being a proactive contributor to the practical implementation of global tax initiatives. She emphasized that IOTA has been here for 27 years to help members benefit from each other's knowledge and experiences underlining “*It is an international organisation that is driven by its members and is here to meet the needs of its members, without the engagement of the members, IOTA would not exist*”.

Hungarian Presidency Visits IOTA Secretariat

16.11.2023

IOTA is pleased to announce that representatives of the Hungarian IOTA Presidency paid an official visit to the IOTA Secretariat in Budapest, Hungary on November 16th, 2023. During the visit, *Mr. Ferenc Vágújhelyi, President of IOTA*, and his delegation had a productive meeting with the management of the IOTA Secretariat. The *Executive Secretary of IOTA, Mrs. Alix Perrignon de Troyes*, provided an overview of IOTA, which serves as a unique international platform in its field of operation, and informed the delegates about the IOTA Technical Assistance Service, as well as IOTA's cooperation with other international organisations, such as the OECD, CIAT, NTO, and IMF.



Both sides had a discussion on the IOTA 2024 Work Programme activities and the recent changes in the Secretariat. One major change was the relocation of the IOTA Secretariat to a new office building in September, after being stationed in a previous building for 10 years. During the meeting, the Hungarian delegation also had the chance to visit the newly constructed IOTA studio. This studio will aid in the production of high-quality video content in the future, making IOTA's digital events even more professional.

Mr. Ferenc Vágújhelyi expressed gratitude to the members of the IOTA Secretariat for their work, loyalty, and professionalism in facilitating the achievement of priorities of the Hungarian Presidency in IOTA and wished to successfully continue mutually fruitful collaboration.

The National Tax and Customs Administration of Hungary (NTCA) was appointed as the next Presidency of IOTA for the 2023/2024 period during the 27th General Assembly in Tbilisi, Georgia, with *Mr. Ferenc Vágújhelyi* becoming the President of IOTA for this one-year term. The 28th General Assembly of IOTA will take place in Budapest under the Hungarian Presidency from June 18th and 20th, 2023. Hungary is one of the seven founding members of IOTA and has held IOTA Presidency previously during the 1998/1999 and 2005/2006 terms.

Regional Consultation on International Tax Developments for Europe – Statement of Outcomes

04.12.2023

The Intra-European Organisation of Tax Administrations (IOTA) together with the National Tax and Customs Administration of Hungary, co-hosted a two-and-a-half-day regional consultation on international tax developments at the Mercure Korona Budapest Hotel in Budapest, Hungary, on 28-30 November 2023, in association with the Organisation for Economic Co-operation and Development (OECD). The meeting was attended by 28 tax policymakers from relevant ministries and tax administration officials from 19 jurisdictions.

Given the range and scope of recent developments in the international tax landscape, the event provided a timely opportunity for participants to be briefed and to provide their input on the ongoing work. For instance: the Inclusive Framework has recently completed and delivered a subject to tax rule (STTR) package. The meeting included discussions on the Global Anti-Base Erosion (GloBE) rules, focusing on recent additional guidance developed with the aim of outlining the



relevant implementation considerations, drawing on country experiences. Discussions were also held on [Amount A](#), where significant progress has been made, resulting in publication of the text of a Multilateral Convention (MLC), together with an Explanatory Statement and an Understanding on the Application of Certainty for Amount A of Pillar One; and on Amount B, where work is ongoing to complete its design, taking into consideration comments received on the [Amount B public consultation document](#).

Jurisdictions shared their experiences in implementing international tax standards. Participants mentioned the challenges they face, particularly with regard to the practical implementation of the standards. As the GloBE rules will apply as of 2024 in many countries, businesses and tax administrations are focusing on practical issues. The need for coordination of international standards and requirements at European level was also emphasised. Delegates indicated that legislative reforms are ongoing in their countries and challenges may arise when the legal framework requires detailed provisions that may need to be amended as the work develops. Delegates stressed the importance of involving stakeholders in the discussions and most of them highlighted the work done to this end through public consultations and bilateral meetings. A general need for further support for practical implementation focussed on operational concerns was also expressed.

The meeting also provided a platform to discuss jurisdictions' other international tax priorities such as tax incentives and Value Added Tax (VAT) on e-commerce, as well as convening a discussion on future priorities which could benefit from greater international collaboration. Given the increasing amounts and sources of information subject to automatic exchange stemming from the global and regional tax reforms, delegates emphasised the need to ensure consistency and standardisation in the exchange of data under Pillars One and Two. Implementing the Two-Pillar Solution will require tax administrations to identify new skill requirements and fill existing gaps for tax officials working in the newly emerging areas of international tax compliance. The need to ensure that dispute resolution and prevention solutions will keep pace with the developments in the international tax work was also emphasised, along with the need to move towards digitalisation of tax administrations. The need for reliable data to assess the impact of the new standards was underlined. Jurisdictions welcomed the consultative and regional format of the meeting noting it serves as an invaluable platform for exchanging views and experiences with their peers and to provide input into the work and agenda of Inclusive Framework on their priorities and concerns.

Mr. Eugenijus Soldatkovas, Manager of IOTA Work Programme, and Mr. Andrew Auerbach, Senior Advisor, Centre for Tax Policy and Administration, at the OECD provided opening addresses for the meeting. In his address, Mr. Eugenijus Soldatkovas expressed the Organisation's commitment to further support and supplement these initiatives through various IOTA events. These events include joint IOTA-OECD regional consultations on international tax developments and the IOTA Forum on Implementation of Measures to Counter BEPS, and aim to deepen the operational understanding of Pillars One and Two issues and priorities, and to offer a set of tools available in assisting the implementation of international tax standards. Given the pace and scope of developments, and the increased demand for support on the Two-Pillar solution, *Mr. Andrew Auerbach* emphasised the importance of coherent capacity building support. The OECD, in cooperation with other International Organisations, regional tax organisations, and development banks, will intensify efforts to assist developing countries, in a coordinated and collaborative way through a comprehensive action plan. As part of this, the OECD will host a Two-Pillar implementation stakeholders' forum alongside future Inclusive Framework plenary meetings.

The meeting concluded with a recognition of the need to work collaboratively to provide more meaningful, efficient and coherent engagement with European countries to support tax administrators on priority issues identified by participants. Participants also recognised the importance of strengthening cooperation and engagement with peers as a way of facilitating exchanges of views and experiences.

New IOTA Website: Faster, Smarter and more Intuitive

04.12.2023

We are thrilled to be able to announce that the Intra-European Organisation of Tax Administrations (IOTA) will launch a new web portal in January 2024. This website will offer a more immersive user experience and enable our members to access our content more easily.

The decision to establish a new website was made during an Executive Council Meeting in January 2019. Our official website, the *iota-tax.org* on the web, provides information about all our technical and administrative events, as well as different types of publications, news items, and updates on the organisation. Additionally, it also offers technical assistance and a platform for submitting technical inquiries.

Since the first launch of the IOTA website in 1997, we have been continuously working to improve it by enhancing the user experience, adding new features, and increasing interactivity. Our dedicated team consistently breaks new ground in how we present our definitive activities and news stories in an innovative and informative manner, while also responding to new challenges that arise in global taxation.

The IOTA website has undergone several changes in recent years. Our current web portal was developed almost a decade ago, in 2014. At the time, it was a huge step forward technologically. However, technology moves on and a more recent internal audit recommended that IOTA should look to improve and relaunch its website using newer, modern, IT technology in order to provide a better user experience and improved functionality, supported by a more reliable underlying “engine”. In response to the audit, we established a professional IT group and began working on a new website under the framework of the IOTA Web Portal Development Project, with the aim of implementing the recommendations and thus increasing engagement of the membership online.

The new website includes various ways for our members and visitors to interact with us in a more advanced digital environment. The platform is designed to make the IOTA Secretariat more independent by using a workflow editor, reducing the need for web developers. It will boast several features like configurable widgets to display personalised and dynamic content, collaboration on shared content with an integrated Microsoft 365 service (Word, Excel, PowerPoint), and web content. It will also offer easy export of the content, including batch download of Technical Enquiries, Country Profiles, and more. Additionally, website users can send messages and chat with one another while enjoying an advanced search engine experience.

We are now at the doorstep of launching the new IOTA web portal. Currently, the new platform is being tested by the Project Team, the members of the Secretariat, and a small group of IOTA members. Once the testing period is over, we will provide an update to the IOTA membership regarding the next steps. Stay tuned for more updates.

