

37th EDITION

# IOTA

# TAX TRIBUNE

---

## magazine

INNOVATION, INSPIRATION  
AND ROCK'N ROLL

UPGRADING THE INTERNATIONAL  
PROFILE BY HOSTING IOTA EVENTS

REINVENTING THE  
TAX ADMINISTRATION

TAKING REGIONAL TAX  
COOPERATION TO A HIGHER LEVEL

COOPERATION FOR  
TAX DEVELOPMENT

WORKING  
FOR IOTA

IMPLEMENTATION  
OF SAF-T IN NORWAY

# CONTENTS



## INNOVATION, INSPIRATION AND ROCK'N ROLL

HANS D'HONDT, PRESIDENT OF THE BELGIAN FEDERAL  
PUBLIC SERVICE FINANCE SPEAKS ABOUT HIS PASSION FOR WORK AND MUSIC

04



TAKING REGIONAL  
TAX  
COOPERATION  
TO A HIGHER  
LEVEL

08



REINVENTING  
THE TAX  
ADMINISTRATION

12



## IMPLEMENTATION OF SAF-T IN NORWAY

15



## UPGRADING THE INTERNATIONAL PROFILE BY HOSTING IOTA EVENTS

20



## COOPERATION FOR TAX DEVELOPMENT

24



## WORKING FOR IOTA INTERVIEW WITH MR MASSIMO MORARELLI

26

**Published by IOTA, 2018, Budapest**

Editorial Board: Miguel Silva Pinto, Ágnes Kóvágó, Mark Crawford

Address: Wesselényi utca 16., H-1077, Budapest, Hungary

Phone: +36 (1) 478-30-30, Email: [secretariat@iota-tax.org](mailto:secretariat@iota-tax.org)

**ISSN: 1418-4818**



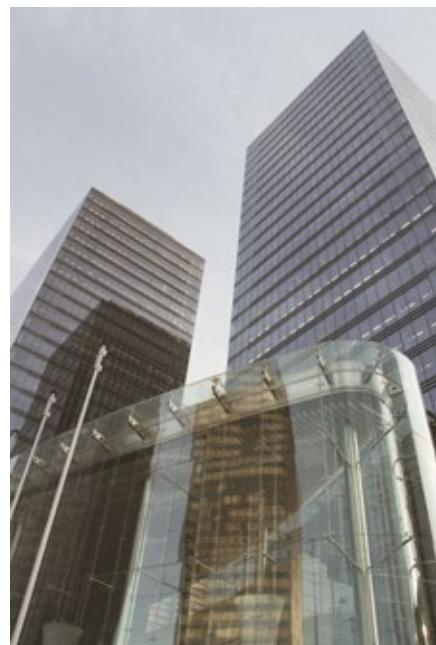
**IMPRESSUM**

# INNOVATION, INSPIRATION AND ROCK'N ROLL

**Hans D'hondt, President of the Belgian Federal Public Service Finance speaks about his passion for work and music**

**Mr D'hondt, you studied law and could have become a celebrated solicitor. Instead you joined the Ministry of Labour in 1982 and made your way after spending years at Minister's cabinets and the Ministry of Economy to the FPS Finance in 2010. How come?**

Indeed, I could have chosen a completely different path for my career. But I'm convinced that I have made the right choice. It happened partly by chance: I had been a lawyer for a year, but after my military service, I ended up working with the government and I never got out. I didn't want to leave, but I was never emotionally attached either. The most important thing in a job is to know that you are doing something that makes a difference: for society, for the citizens. In a certain way I always felt that the "res publica"



The headquarters of the Belgian Federal Public Service Finance

was my professional mission.

**Coincidence therefore played a crucial role?**

Yes, as it does for everyone. But of course, most of all the motivation all civil servants share: the general interest. That still appeals to many people, more than the money and a company car. You can think of all sorts of great theories but in the end, you will find yourself in the 'res publica' or not, it's a matter of temperament. A matter of conviction. I have been active in associations since my childhood: that's also the community.

**One of your achievements is that you fundamentally professionalised the FPS Finance and run it as a company.**

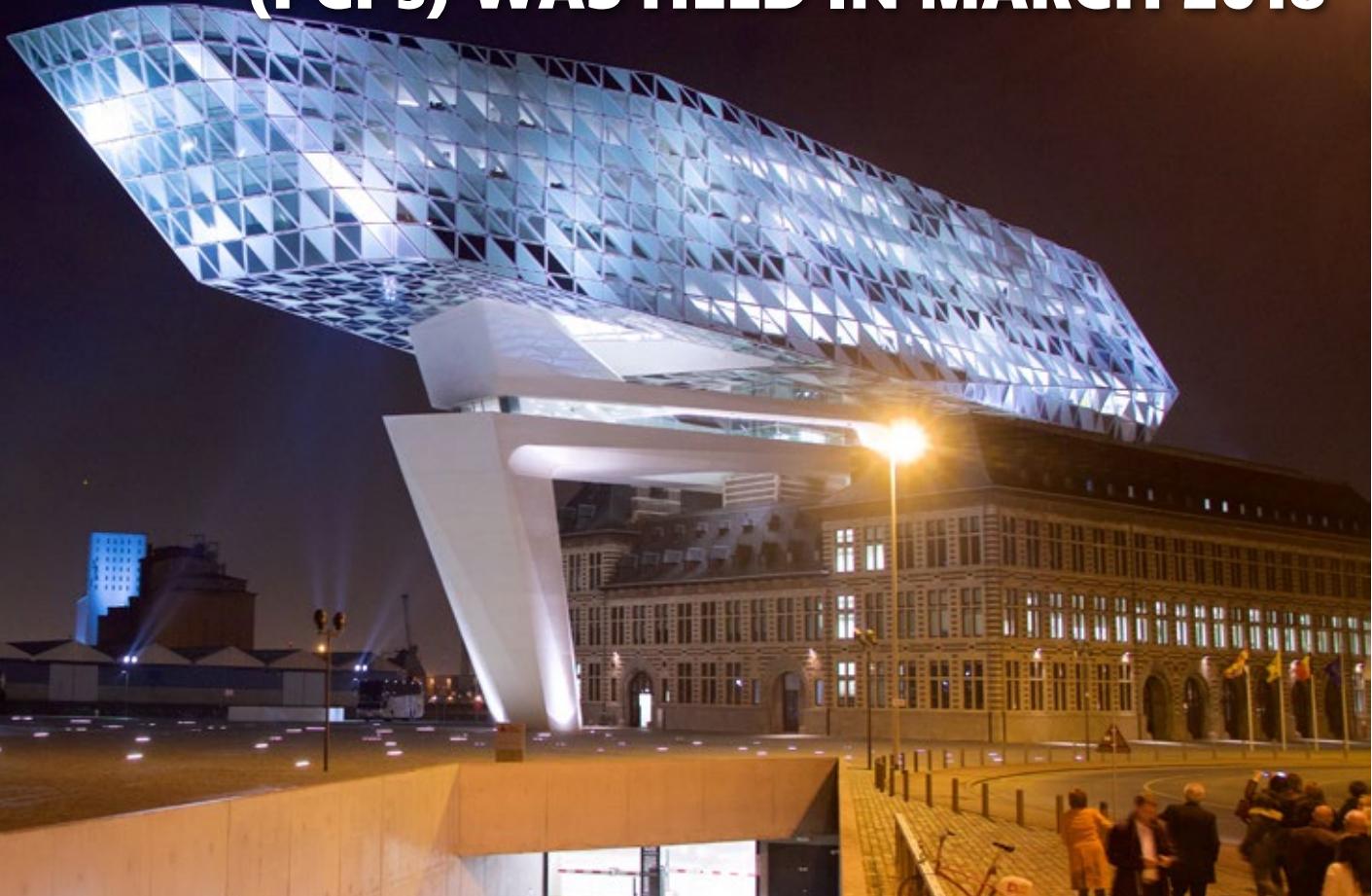
Indeed, today our FPS works as a company. But I don't run it on my own. Our management committee does. A perfect company? No, but no company works perfectly. We do use the same instruments: management control, key performance indicators (KPIs), internal control (risk management), project management and a lot of technology of course. Measuring is knowing. Because Government services worked within an existing legal framework with many 'a priori' controls, they did not always give enough attention to the need to precisely define and follow up the work processes. We addressed this: in regular "business reviews" we review the implementation of the strategic projects, we monitor our day to day activities using KPIs, ensuring the functioning of internal control and risk assessment, etc.



Antwerp, Belgium (photo: Laya Gelencsér)

We do not measure to harass our people: we want to know where we need to intervene to do things better, to move forward. That is a totally different system than before, when a strict vertical hierarchy applied and the control was much more rigid. More than 12000 of our employees work one or more days a week from home with a laptop and an internet connection. Our workflow of our back office is completely digital. No paper: in many companies that is the future, with us it becomes reality.

# ANTWERP, WHERE THE 25TH IOTA FORUM OF PRINCIPAL CONTACT PERSONS (PCPs) WAS HELD IN MARCH 2018



**Belgium is quite strong when it comes to predictive analytics and datamining. Tell us more about the projects the FPS Finance is currently working on!**

Effectively managing the collection of tax debt is one of the major tasks undertaken by tax administrations. We have several datamining models all named after Greek mythological figures,

a special hobby of Luc De Dobbeleer, the head of our Debt collection and Recovery administration.

In 2001 the Federal Public Service of Finance started a reflection on risk management when we launched the Business process review with the other administrations. The objective was to prevent big recovery problems. After

that we understood that we must focus on bankruptcy as it is a major risk of non-payment of taxes. We launched DELPHI, our first data mining model, which attributes risk scores and later added HERMES, a model that we use

to predict if an individual or company who received a very high risk scoring in Delphi, will pay their taxes within 1 year.

The IRIS model predicts if a person or a company will pay their taxes within 14 days after having received a phone call from our Debt Relationship Management (DRM) Unit, a call center we established in 2015 to remind a predefined group of taxpayers of their fiscal obligation and enhance tax compliance. This resulted in a tremendous increase in efficiency with quick recoveries of unpaid taxes, less administrative workload in the recovery process and an increase in extra interest and enforcement costs for the taxpayer. With Pegasus we predict the future payment resulting from sending the file to a bailiff for VAT, Wage Withholding Tax and Personal Income Tax.



Mr D'hondt in the award ceremony of "Public organisation of the Year 2017" with the Minister of Defence and Civil Servants Affairs of Belgium (Photo: Jonas Roossens)

We took the predicting models to a whole new level with ARANEO. We used the input from 2011-2016 of all the mentioned models and the data behind these models, used SAS technology, social network analysis and turned this into a visual tool predicting the possibility of bankruptcy.

At the beginning of 2018 we started developing a new model "PEITHO" to predict the right duration of an instalment payment plan. It will be used by our collection agents in the next few weeks. Next in line is implementing a complete recovery strategy factorization, step by step, according to our processes.

Our FPS Finance sponsored the IOTA Project on Measuring Debt Management Performance which we hope will provide the IOTA membership with access to a range of examples of good practices.

**Behavioural insights could help raising tax compliance amongst taxpayers, using new and innovative practices. What about the efforts of the FPS Finance in using 'nudges'?**

We have learned that evidence-based policy making should be the new standard and the 'test-learn-adapt' methodology results in more effective

policy making. We collaborated with academics of the London School of Economics and Oxford University in a project where we tested different nudges (based on behavioural insights) on taxpayers and evaluated via RCT if those made them pay their liabilities earlier in the tax process. This resulted in great advantages for the state revenue (advanced (extra) revenue of taxes), to the tax administration (less effort in pursuing debtors) and to the tax payer (avoidance of extra interests and enforcement costs).

More concrete, we ran an experiment to see which nudges worked best when redesigning some letters and the results were amazing: a raise in tax compliance by 21,5% after 14 days! On one hand the new letters advanced a lot of payments, but on the other hand there was also an extra net income, which was estimated at about 4 million Euro, apart from the efficiency gains on our internal resources. In total the use of behavioural insights resulted in 17.622 extra liabilities with a payment, 15.329 extra liabilities fully paid and 18.790.911 EUR of accelerated payments after 14 days, in comparison with the original reminder letter. Behavioural interventions are often low-cost, but very effective.

**Belgium contributes a lot to IOTA, you send many speakers to workshops, you host events and also sponsored a project. Why is IOTA important for the FPS Finance?**

As the President of the Belgian Public Service Finance, I am proud of what we have accomplished thus far in the IOTA network. In a globalising world, we need to internationalise our administration and our experts. Our colleagues in Belgium and in any other country must be taught that whenever they face a certain problem, they must show a proactive 'international' attitude and look at other countries facing most likely the same problem to identify possible solutions.

IOTA plays a very vital role by implementing a platform in which these contacts and best practices can be shared. We embrace IOTA's efforts of bringing experts together and we encourage our fellow colleagues in the IOTA member states to make sure that, whenever they do something innovative, they share their solutions and innovative practices.



Mr D'hondt addressing the 25th IOTA PCP Forum (photo: Laya Gelencsér)



International relations and contacts are a core strategic objective to the FPS Finance and it is therefore important

for us to renew our commitment and take our international collaboration efforts to the next level by applying for the Presidency of IOTA.

**So much about innovation on the work floor, we have learned you have an interesting hobby?**

Yes, I'm a music enthusiast. I have been making songs since the 70's. I still play in a rock and blues band an in a duo with our keyboard player who is a good friend since we both were 14 years old. It is a rather traditional rock band called 'Supreme Court'. We play covers as well as our own songs. The duo is called "Closing Time" named after the first Tom Waits album released in 1973.

**Who inspired you to start playing music?**

I started playing at the age of twelve. At that age it is not really a matter of being inspired: kids do just what they love to do.

**Most musicians aren't just passionate about the music but also about their gear. Are you a Fender or a Gibson man?**

I'm afraid I am rather a "you never have enough guitars"-man. So, I play a lot of different guitars. Mostly Gibson but also Fender, Gretsch, Ibanez, Rickenbacker, Godin, Duesenberg, Takamine, etc. My two favourite guitars are a Gibson ES335 natural and the Gretsch White Falcon my wife gave me when I reached the age of 50. So much better than a surprise birthday party!

**With your busy schedule, where do you find the time for rehearsals?**

Usually we rehearse on Monday evening between 9 PM and 1 AM. At my age it is as good to rock as it is to sleep.

**Any other passions you want to share besides music?**

My job is my passion.



# TAKING REGIONAL TAX COOPERATION TO A HIGHER LEVEL

**Interview with Mr Márcio F. Verdi, Executive Secretary of CIAT and Mr Miguel Silva Pinto, Executive Secretary of IOTA about the first ever joint Tax Summit in Lisbon**

A historical event will take place this year: IOTA and CIAT in cooperation with the Portuguese Tax and Customs Authority will organise the "Tax Summit on Digital Economy", which will be held in Lisbon on 24 - 26 October 2018. The first ever joint event of the two regional tax organisations will not only connect Europe with the Americas but will also invite other regional tax organisations widening the scope of the conference to a global level. Representatives from more than 80 countries will gather to address the impact of the digital world on the main areas of tax administrations' activity. For three days, senior officials, experts and members of the tax community will exchange views on the most recent trends and solutions that advanced and developing tax administrations

are exploring to keep pace with the digital revolution.

Márcio F. Verdi, the Executive Secretary of CIAT and Miguel Silva Pinto, the Executive Secretary of IOTA are deeply committed to their common project as they think this summit is an important step for connecting regional tax administrations worldwide. The two Executive Secretaries have a close relationship for many years which has helped to realise their common vision. We have asked them about the event and their personal views on each other and the respective organisation.

Márcio F. Verdi is the Executive Secretary of CIAT since 2010. Before, he was an economist and a tax auditor in the Brazilian Revenue Administration (Receita Federal de Brasil). Heading the CIAT, he has worked intensively to promote cooperation amongst its members, with a focus on international taxation, promotion of transparency, ethics and information technology applied to tax administrations.

Miguel Silva Pinto is IOTA Executive Secretary since October 2016. He was Deputy Director-General of the Portuguese Tax and Customs Authority before joining IOTA, having held several international jobs



Lisbon the host city of the Tax Summit in 2018

in the European Union beforehand. He was part of the team that prepared the IOTA new strategy for 2018-2022 and prioritized raising the international profile of IOTA during his mandate.



Miguel Silva Pinto and Márcio F. Verdi in the 52<sup>nd</sup> CIAT General Assembly



# “TAX SUMMIT ON DIGITAL ECONOMY” IN LISBON ON 24 - 26 OCTOBER 2018



**CIAT IOTA**  
TAX SUMMIT | PORTUGAL'18

## 1. YOU SEEM TO KNOWING EACH OTHER VERY WELL. WHEN DID YOU FIRST MEET? WHAT WAS AND WHAT IS YOUR OPINION ABOUT YOUR COLLEAGUE?

**Miguel Silva Pinto:** I met Marcio in 2014, in Rio de Janeiro while attending the 48th CIAT General Assembly. I was then Deputy Director-General in the Portuguese tax administration and my DG asked me to become CIAT's correspondent for Portugal (equivalent to IOTA PCP). It was my first contact with the Latin American tax administrations and I was impressed with the technological level of development a number of them were going through. That impression has been confirmed over the years and I think the IOTA members' tax administrations can benefit a lot by learning what is happening in other regions of the world and also giving feedback on their experiences in many areas of their activity.

Right then I was impressed by Marcio's dynamics and enthusiasm when conducting the General Assembly and his leadership skills. I admit that he inspired me to apply for the position

of Executive Secretary of IOTA when the vacancy was announced in March 2016.

Marcio was also one of the first persons to congratulate me when I was elected and he immediately envisaged the possibilities to enhance the cooperation between our organisations

**Márcio F. Verdi:** As Miguel commented, we met at the 2014 CIAT General Assembly, and it was a great pleasure for me to meet Miguel, who was then the Deputy Director of the Portuguese tax administration; because immediately we related to each other, we shared common interests, we enjoyed the delicious Portuguese gastronomy, Portuguese bakeries, the Brazilian food, the Brazilian history. On a personal side, we immediately created a very strong empathy and, more than anything else, I was delighted in the way that Miguel managed the issue of the VAT tax in Portugal. Portugal was recovering from a period of difficult adjustments for the tax administration, after a financial crisis, and we had a lot in common regarding our views on taxation.



Márcio F. Verdi and Miguel Silva Pinto  
at the 21<sup>st</sup> IOTA General Assembly

I was always concerned with the VAT tax in general, so we immediately became strongly acquainted. In addition, Miguel was appointed the CIAT correspondent for Portugal.

Then, from there, I had the opportunity to share with him the vision that I had and have about what an organisation like CIAT should be. I believe I could transmit some of my passion about international cooperation, especially the role of the tax administrations.

An organisation like CIAT has the obligation to promote the exchange of knowledge, to transform the cooperation that we want into an action of coordination, of joint actions, and we have to progress on this path, as a collective modernisation movement of tax administrations in our member countries. I remember very well our early conversations on the importance of IOTA, CIAT, and the other regional and international organisations of tax administrations.

## 2. WHAT IS THE POTENTIAL FOR A CLOSER COLLABORATION BETWEEN IOTA AND CIAT?

**Miguel Silva Pinto:** I would like to start by saying that the cooperation between IOTA and CIAT goes a long way back, since the two organisations signed a Memorandum of Understanding (MoU) in 2006 in Florianopolis, Brazil, building on information exchange and joint projects already undertaken and establishing the background to take cooperation further. As a matter of fact, the relations between the CIAT and IOTA have been strengthened by reciprocal participation in each organisation's main events, such as General Assemblies and international conferences. Other ways to cooperate have been developed, either in the framework of the ISORA project (where both entities are members, together with the IMF and the OECD) or through the participation in publications and using the organisations' networks to channel technical enquiries. We have also expressed our wish to be engaged in the CIAT Ethics Committee and are already exploring possible joint participation in projects of mutual interest. The recent setting up of the NTO - The Network of International Tax Organisations - will without a doubt provide new opportunities to use synergies and explore mutual benefits for our respective members.

## 3. HOW WAS THE IDEA AND CONCEPT OF THE LISBON TAX SUMMIT ON DIGITAL ECONOMY BORN?

**Márcio F. Verdi:** The idea of the Technical conference of Lisbon, called Lisbon Tax Summit on Digital Economy, emerged from meetings between Miguel and myself, in which we realised, first, that we have five member countries in common,



*The members of the Network of International Tax Organisations*

and very important countries, both for CIAT and for IOTA, but in CIAT's case, these countries provide much help to the region. Since 1982, all of them are full members, the European members. For many years, we have been mutually participating in each other's events. Therefore, should we not organise an event together? IOTA has a strength, on the issue of the digital debate, with the European Union and countries that are so advanced in the areas of digital taxation. We too, in our region, we have countries that develop a world leadership in the use of information technology. Therefore, we thought, "Is it possible? - Yes!" And then we consulted Portugal and there we found a decisive support: Portugal supported the idea immediately, bought into the proposal and now what we need is working together to turn this joint project into reality, and as an example of what we can and we must do as regional tax organisations.

## 4. THE JOINT SUMMIT WILL BE IN LISBON, WHICH DUE TO ITS LOCATION CAN BE CONSIDERED AS A BRIDGE BETWEEN EUROPE AND THE AMERICAN CONTINENT. WAS THIS THE MAIN REASON FOR HOLDING THE SUMMIT IN PORTUGAL?

**Miguel Silva Pinto:** Portugal is a platform between different countries, people and cultures because of its history. So, every Portuguese is a natural born adventurer and always curious to meet new people and experience new ideas and thoughts. Besides, the Portuguese Tax and Customs Authority is a member of both IOTA and CIAT and has special relations with other Portuguese speaking countries and

administrations. It is not the first time that Portugal has organised an IOTA event and I am certain they will do very well with this one too.

## 5. DO YOU THINK THE JOINT SUMMIT WILL CHANGE THE MODEL FOR THE COLLABORATION BETWEEN REGIONAL TAX ORGANISATIONS?

**Márcio F. Verdi:** Literally, I believe that yes, this summit, the meeting in Portugal will transform the collaboration between IOTA and CIAT. We will prove that together we are stronger, because there are many topics of shared interest for both organisations, going from paper-free procedures to topics of blockchain and taxation of the digital economy. We have countries in the Latin American region that are world references in the use of digital technology, such as Mexico, Brazil, Argentina, Chile, Colombia, Peru, and several others, and here I mention only the Latin Americans. Equally, we know the importance of the use of information in European countries. We can exchange experiences because there are topics where Latin America, in my view, may provide useful information to the European countries. Especially, topics of invoicing and paper-free tax administrations. These topics are not new in Europe, but it is always good and useful to see the results that others are obtaining. Above all, we will see that the greatness of the debate is to bring together 80-member countries to exchange about common topics of interest. I think this will be an historical event.

## 6. BOTH IOTA AND CIAT PLAY AN IMPORTANT ROLE IN



Miguel Silva Pinto as a moderator of CIAT's 52<sup>nd</sup> General Assembly

**THE INTERNATIONAL TAX COMMUNITY. WHAT DO YOU THINK MAKES IOTA AND CIAT SPECIAL IN THE INTERNATIONAL ARENA? PLEASE SPEAK ABOUT YOUR COLLEAGUE'S ORGANISATION!**

**Miguel Silva Pinto:** I find the CIAT plays a key role in the regional tax framework. By leading successful and professional technical assistance programmes the organisation is contributing to the development of member administrations and supporting efficient tax administrations in Latin America. No doubt this formula has a great potential to expand to other regions, since new CIAT members will probably look for similar programmes. I also find their on-line training and professional courses format quite interesting and useful to increase the knowledge and skills of tax professionals. The CIAT runs several projects such as the Collection and Recovery Network and the Network on Availability of Public Information of Tax Interest, which I think can be extended to other regional organisations and IOTA will look for the opportunity to join in. Finally, other possibilities to cooperate that are worthy of consideration include providing our respective members with opportunities to input in joint projects such as publications or studies and we will not miss the opportunity to work in that field. The newly born NTO might provide a good framework to do so on a broader scale.

**Márcio F. Verdi:** I think that IOTA's main characteristic is that it gathers

a high level of knowledge. IOTA holds an accumulated knowledge, perhaps unique in the world. The European tax administrations together are examples of all the areas that we can imagine for tax administrations, from the technical and operational aspects to the aspects of moral and ethical tax values, the tax culture, the culture of compliance. Therefore, an organisation such as IOTA is considered by us as an organisation that gathers the best that a tax administration can provide. Of course, CIAT also accumulates a great deal of knowledge, but our main characteristics, when I refer to the tax administrative development level, are the differences that we have, which are still very high, between countries. This is valid for the other tax administrations in the world, but IOTA is different. IOTA gathers a high level of technical capacity. A high level of efficiency and effectiveness among tax administrations. We all look at

IOTA as an organisation that gathers together top-notch tax administrations. IOTA has somehow a role distinct from CIAT, as I said before, and in our case, we must devote more efforts to the aspects of human resources training, while with IOTA, we know that the European tax administrations have a much higher average level of human resources development. IOTA also has the function of making sure that knowledge should come as the tide: it must cause all the boats to rise on the water. Even in Europe, there is always a risk that some administrations progress at a faster pace than others, for many reasons, and IOTA's role is to act as a buffer, a shock absorber, to prevent the know-how from concentrating in A or B countries, leaving the others behind, without bringing it equally to all the members.

IOTA, for sure, is an organisation that has deserved the respect from all the others, because of the quality of the personnel of their Secretariat, and especially because of the countries that are its members.

**WE WISH YOU A SUCCESSFUL SUMMIT AND WE ARE LOOKING FORWARD TO INFORMING OUR READERS ABOUT THE OUTCOMES OF THIS HISTORICAL JOINT EVENT!**



Márcio F. Verdi as a speaker of IOTA's 21<sup>st</sup> General Assembly

# THE DANISH CUSTOMS AND TAX ADMINISTRATION (SKAT)



## REINVENTING THE TAX ADMINISTRATION

**Ms Winnie Jensen, Deputy Director General of Legal and Mr Erling Andersen, International Director write about the experience of reorganising the Danish SKAT**

From 1 July 2018, the Danish Customs and Tax Administration, SKAT, will cease to exist in its present form.

Even though SKAT is respected for its performance compared to other tax authorities around the world, public confidence in SKAT has suffered over the past few years. The fall in confidence follows a number of adverse cases, including problems with implementation of new IT systems and refunds of dividend tax, where SKAT failed to meet the high standards expected from Danish tax authorities. These and similar cases have contributed

to undermining public confidence in SKAT's services. In response, we have executed a multi-step plan to re-establish confidence and we are already underway with the first steps.

### SEVEN NEW AGENCIES

When we say that SKAT will cease to exist, we mean this literally. Today SKAT consists of one agency handling a large number of complex tasks, from assessing property values to checking goods for customs purposes at the Danish borders. SKAT is also responsible for the collection of debt from public

authorities, for vehicle registration and a great number of other tasks.

SKAT's total annual revenues amount to approximately EUR 135 billion, and these are used to fund Danish hospitals, schools, roads, etc. In other words, SKAT forms the economic backbone of a well-functioning state welfare system.

SKAT will undergo a fundamental restructuring, transitioning from one to seven independent agencies with clearly defined areas of responsibility.

The tasks have been structured to secure important quality improvements in the way we work:

- clear lines of responsibility and strengthened management
- increased specialisation and enhanced professionalism within individual areas
- simple and easy payment of taxes for individuals and businesses
- effective and efficient enforcement in all areas
- well-functioning and reliable IT systems and high-quality data

## FACTS BOX

## Key considerations in the restructuring of the Tax Administration (SKAT)

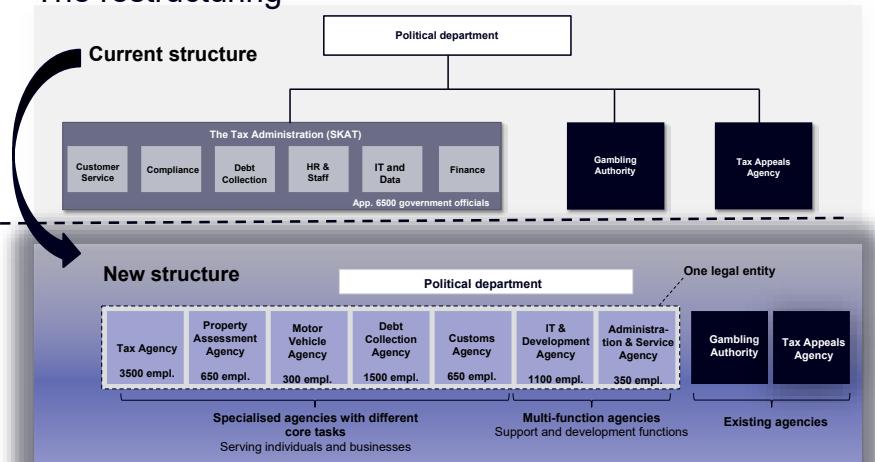


An immense and complex task in establishing seven new agencies lies ahead of us. And at the same time, we are facing other important challenges that also need to be dealt with. We are aware that the new structure, with seven agencies, will not solve all of the problems, but it will establish an essential foundation, so that we can improve quality and ultimately re-establish public confidence.

Seven new agencies will be established to handle SKAT's previous tasks. The agencies will have their own management and Directors General, and their individual areas of responsibility within the new Danish Customs and Tax Administration (Skatteforvaltningen) (see organisation chart below).

## ORGANISATION CHART

## The restructuring



Five of the agencies will each have core tasks within public sector revenue:

- Danish Debt Collection Agency – Collection of debt due to public authorities

also be responsible of developing and simplifying specific areas – especially within IT systems and processes.

## CLEAR LINES OF RESPONSIBILITY AND MORE MANAGEMENT RESOURCES

The new organisational structure allows for clear lines of responsibility, more management resources, increased specialisation and enhanced professionalism. Along with targeted investments and adequate resources, these improvements are all essential to raise the quality of our work.

In 1990, the Danish customs authorities merged with the central-government part of the tax authorities to become one administration known as ToldSkat. 15 years later, the Danish Customs and Tax Administration, SKAT, was established as we know it today, following a merger between ToldSkat and the local-government part of the tax authorities. This led to a considerable increase in the number of tasks to be carried out. SKAT was not only responsible for collecting taxes from individuals and businesses, but also for collecting customs duties at Danish borders. Moreover, there was collection of debt due to public authorities and assessment of property values.

While the merger generated economies of scale, it also created a very large and complex organisation, which over the past years has proved to be too large and cumbersome. The organisation has simply become too complex, resulting in blurred lines of management accountability.

Establishing seven new agencies is a complex and demanding task. It takes time to build the organisations, get systems in place and recruit employees, and of course the positive effect on the new agencies' work will not become evident overnight. Similarly, some of the areas within the agencies will develop faster than others.

In the years to come, we will still be facing major challenges that need to be dealt with. Among other things, we are going to develop new IT systems for debt collection, for property assessments and for customs assessments, and we will have to implement these in the new agencies. In addition, it is inevitable that we will need to renew or replace a large number of the backbone IT systems within personal, business and corporate taxation in the next decade.

## The challenges of the Tax Administration (SKAT)

### Internal challenges

#### Structure, geography and IT

- Large and complex organisation
- Skills mismatch
- Execution of assignments geographically scattered
- Legacy data and IT systems
- Poor data quality

### External challenges

#### Globalisation and technological development

- Large and rapid financial flows
- Aggressive tax planning, tax avoidance and evasion, transfer pricing, etc.
- Increasing complexity of tax assessments and audits
- Rapid technological development

Specific tasks e.g. debt collection, assessment of property values and customs

Deteriorating confidence among taxpayers

Between now and 2020, almost 3,500 new employees are expected to be recruited, many of whom will be replacing retiring employees. Today, a total of 6,200 employees work at SKAT. In addition to investments in employees and IT systems, investments will be made in digital solutions to enable simple, easy and correct payment of taxes from individuals and businesses.

The Danish Parliament wants a balanced Denmark with a more even distribution of government workplaces across the country and closer to individuals and businesses. The historically high number of relocations of government jobs from the capital to other parts of Denmark in the coming years will also affect the restructuring of the Customs and Tax Administration.

This is a multi-year change journey, and our job is to make the transition from one unified SKAT to seven new agencies as smooth as possible for taxpayers.

The journey towards changing the organisational structure and tasks is expected to last until 2021. During this process, the new agencies will continue to build on best practice to ensure that, despite the difficult cases mentioned above, the Danish tax authorities enjoy the confidence of the Danish Parliament and the Danish taxpayers.

## MASSIVE INVESTMENTS IN NEW EMPLOYEES AND IT

We have to rebuild large parts of the current Customs and Tax Administration, SKAT, from scratch and make massive

investments in data processing, IT systems, more employees and new skills. In our opinion, this requires a new organisational framework.

Because of the many challenges mentioned above, and the challenges to come, we need to make sure that the seven agencies are equipped for the tasks that lie ahead and are able to meet their obligations effectively and efficiently.

At the heart of the plan adopted by politicians is a major injection of resources to the Customs and Tax Administration. In 2017, the Danish tax authorities cost approximately EUR 712 million and the Government is planning to invest around another EUR 1 billion by 2020, with massive investments in IT systems.



Ms Winnie Jensen in the IOTA Executive Council meeting in Copenhagen in March 2018 speaking about restructuring the Danish Tax Administration.



# IMPLEMENTATION OF SAF-T IN NORWAY

**Ms Nonna Risnes, Senior Adviser in the Norwegian Tax Administration (Skatteetaten) shares her experience of learning from participation in IOTA workshops**

► *The Headquarters of the Norwegian Tax Administration (Skatteetaten) in Oslo (Photo: Baard Brinchmann Loevigg)*

SAF-T (Standard Audit File for Tax) is a standard electronic format used in the exchange of accounting data. It is the result of a joint development collaboration between the business community, the accounting sector and the Norwegian Tax Administration, based on a recommendation by the OECD.

## ***Inspiration***

SAF-T started for me at a workshop in February 2014 in Budapest "Engaging and Involving SMEs and their Intermediaries in Tax Administration Processes". The focus of the workshop was to exchange country experiences in order to increase compliance including use of new technologies.

Colleagues from Portugal told us about e-invoicing during coffee breaks; about the transmission of data to the Tax Administration and about the effects; how it worked and who we could contact. We got some useful links and documents. Portugal used to transfer e-invoices in the SAF-T format directly to the Tax Administration online or as periodic reporting.

We also received a brochure from Portugal about implementation of e-invoicing where we found that at the time e-invoicing was introduced VAT revenue increased by approximately 16 percentage between September 2012 and September 2013.

We looked at the possibilities of electronic transmission of e-invoice data, and believed that it could significantly contribute to reducing such tax crimes as the use of false invoices, use of false invoices in chain fraud, non-reported revenue, as well as increase general transparency in the transactions.

We came back from the workshop inspired and full of "implementation" power.

## **PREPARATION AND LEARNING**

We brought home the experience from Portugal. We spoke with colleagues in our Tax Administration. We also found out that Portugal had implemented many reporting standards in the SAF-T format, from a standard for General ledger where all transactions could

be reported on transactions level to e-invoicing where detailed information from invoicing could be reported.

Already from the 1990s OECD had initialized a process to standardize accounting formats.

SAF-T has been designed to capture data from a number of areas found in a typical accounting system and specifications, including:

- General ledger
- Accounts Receivable
- Accounts Payable
- Fixed Assets
- Inventory
- E-invoices
- Cash registers data
- Payrolls
- Etc.



Nonna Risnes in a group discussion in the IOTA workshop "Engaging and Involving SMEs and their Intermediaries in Tax Administration Processes" with Vincent Kenrick from Ireland, Nuno Miguel Alves Pinto from Portugal and Riita Oidsalu from Estonia in 2014 in Budapest

The Norwegian Tax Administration top management decided in December 2011 to start a project to study the consequences of introducing SAF-T in Norway. The project started in October 2012 and was completed in April 2014.

By reviewing experience from other countries together with documentation from the OECD, the project concluded that the consequences would be positive both for the Tax Administration and for the business community.

Through specialization in SAF-T I also learned a lot about other electronic data exchanges, including use of e-invoices in Norway, to a limited extent.

Norway used the electronical standard format EHF (elektronisk handelsformat) to send e-invoices between buyers and sellers for the government (from 2012) and municipalities (from 2015), companies and organisations. EHF is based on the European standard (UBL, CEN, and PEPPOL BIS). It is not mandatory for businesses to transfer data to the tax authority as of today.

**In January 2015, we participated in the workshop "Promotion and Facilitation of Electronic VAT Invoices" in Budapest.** This workshop focused on key aspects of electronic invoicing, the changes of the EU rules for VAT invoicing and the initiatives and practical approaches used by the IOTA tax administrations to promote and encourage the adoption of electronic VAT invoices. Many countries already used e-invoicing by then.

There were different understandings regarding what e-invoicing was, ranging from email with an attached invoice in PDF and the use of the same electronic invoice format mandatory for all, and



▼  
Oslo

with direct transfer to the authorities. We found the presentations from Portugal and Luxembourg about the use of SAF-T to transfer data to the tax administration particularly useful. We have gained useful contacts with colleagues also from other countries. SAF-T was one of the main suggested follow-up topics from the workshop.

## INITIALIZATION

There was an opportunity for a more systematic introduction to SAF-T in Norway, and it turned out that it was the right time for it.



▼  
Ms Nonna Risnes with her colleague Rune Tystad in the IOTA workshop "Promotion and Facilitation of Electronic VAT Invoices" in Budapest in 2015.

The top management at the Norwegian Tax Administration decided to initiate an implementation project for SAF-T Financial (General Ledger, Accounts Receivable, and Accounts Payable) in March 2015.

There are always many projects running concurrently in the tax administration. Some projects should be prioritized, and some projects should not be prioritized or should wait for their turn.

In the 2015 White paper, the new Cash Register Systems Act was proposed. In addition, it was recommended to use SAF-T as a standard electronic format for the storage of cash register data for both accounting and tax audit goals. In 2016 a separate project for implementation of the Cash Register System Act including SAF-T was started.

Therefore, it would be SAF-T Financial and SAF-T Cash Register Data first. The situation is more unclear regarding e-invoicing. Although many in the Tax Administration and other stakeholders were in favour of assessing implementation of e-invoicing.



In August 2015, we had the first meeting with of the SAF-T project group. There was a lot to do in half a year:

- Facilitate cooperation between the Tax Administration, accounting system suppliers and interest groups
- Assemble a working group with participants from the Tax Administration, interest groups and accounting system suppliers
- The work group was going to create an XML-file for SAF-T Financial. SAF-T Financial would be the first step under the SAF-T umbrella and would include General Ledger, Account Payable and Account Receivable by transactions level.
- The project group had to develop a proposal for the step by step introduction of SAF-T Financial in Norway.
- Gather and update experiences and status about SAF-T and other electronic accounting formats in other countries

We contacted all system suppliers that we were able to find at this time, as well as interest groups and invited them to a cooperation meeting in September 2015. We gave information about the work, listened to their expectations, discussed common goals and invited

them to participate in the work group.

Outcomes from the workshop included:

- Expected strong project management and coordination from the Tax Administration
- Starting with limited format and gradually go to larger amounts of data
- SAF-T is a dream situation regarding system integration and provides mind-blowing simplification perspectives with easy transition

## HELP

We needed to gather and update the international experience on the use of accounting standard formats. It is usually open public information. The challenge was that information about the standards was often in other national languages and SAF-T might have different names. For example, in Luxembourg FAIA (Fichier Audit Informatisé AED) is used and in France "FEC" ("Fichier des écritures comptables").

We needed help to find direct links online so we could retrieve information about the standards in different countries as well as their status and experience.

We used email lists from IOTA events

and sent emails to our colleagues in many countries.

When doing this you realise how important it is not only to participate in the workshops, but also to build your networks during the formal and informal social events that happen within IOTA.

The answers came straight away from Latvia, Poland, France, Spain, Luxembourg, Belgium, Estonia and many others. We got links to public websites, presentations and many other very useful documents. There were also important explanations as to why some countries should introduce SAF-T and why some countries should not introduce SAF-T. Standards in some countries were in English and in other countries other national languages, so we had several rounds of email with the colleagues from IOTA.

We learned that there were different ways to introduce SAF-T in different countries.

Some only introduced a new regulation, some required data deliveries. Some administrations carried out comprehensive introduction work with system suppliers and businesses before it became mandatory.

There were also different ways of delivering accounting files to tax administrations. Someone had established a fixed channel with direct data transfer; some generally accept delivery on physical media such as CD and memory stick.

## IMPLEMENTATION

In March 2016, the XML file to SAF-T Financial was finalised and approved.

The top management at the Tax Administration approved the next step of the project:

"The project will ensure that businesses can provide accounting information to the Tax Administration on a fixed electronic format; SAF-T, from 1 January 2017, and that the Tax Administration can receive and process the information properly."

The project was intended to ensure a smooth introduction of SAF-T Financial in Norway.

The project's main tasks were:

- Dialogue with the stakeholders
- To build an effective transfer channel

The Norwegian Tax Administration uses Altinn, the Norwegian public Internet

portal for providing electronic forms to public authorities. The intention was that SAF-T files could be delivered directly from an accounting system to the tax administration via the Altinn -portal.

There were many discussions about whether the standard should be mandatory in Norway or not. We came to the conclusion that experience from other countries states that usually those countries that require the standard to be mandatory for use have wider application of the standard. We would make SAF-T mandatory for all businesses who have bookkeeping obligations, or in other words must provide a tax report or VAT report.

The Directorate of Taxes received a letter of formal notice from the Ministry of Finance in March 2016 to prepare a consultation memorandum with an assessment and proposal to introduce the obligation to reproduce accounting information in standardized form (SAF-T).

As it turned out later, it was a necessary choice. Large foreign accounting system suppliers could not begin development work without this being a statutory requirement.

The work to implement the standard for businesses was imposed on

accounting system suppliers. The system suppliers should customize the use of XML for each accounting system. The tax administration was responsible for establishing the standard and guidance and to catch up with errors and omissions of XML-file and possibly initiate changes.

In June 2016, consultations on the proposals for amendments to make SAF-T mandatory were concluded with the deadline for mandatory implementation from January 1, 2017.

Moreover, every IOTA event gave us new contacts and inspiration for SAF-T development.

In September 2016, in Riga, at the workshop "Tracking Cash Flow in Relation to E-commerce Activities", we met with our French colleagues. France had already introduced SAF-T (FEC in French) in 2014. The discussions continued in the evening and we were the last guests in the restaurant where we had a joint dinner and finally had to leave due to closing time. As we understood the implementation is not always easy, we would encounter some resistance, but the world is moving forward and accounting formats are to be standardized -SAF-T is the future.



Group photo of the participants of the IOTA workshop "Tracking Cash Flow in Relation to E-commerce Activities" held in September 2016, in Riga

**CHALLENGES AND DECISIONS****Charts of accounts**

There is no common chart of accounts for Norwegian companies; everyone adjusts the use of accounts for their individual business needs. In SAF-T Financial standard accounts shall be used to make it possible to develop standard analysis forms, and to make tax audit more automated and effective.

The first proposal suggested that all enterprises should map the accounts to The SAF-T Financial Standard Accounts.

The challenge was the introduction of SAF-T for special industries such as banking, finance and insurance. Many numbers, multiple computer systems and special reporting characterise them. The mapping would have been meaningless here since the specific accounts disappear. We also lose all information and reporting will consist of two lines that make no sense.

After several meetings and discussions with the financial services industry, we agreed the need for special adjustment.

According to the latest version of user documentation of SAF-T Financial, the mapping of The Chart of Accounts must be, by choice, one of the following:  
- The SAF-T Financial Standard Accounts  
- The Income Statement for the type of business.

Another spin off from the project was the standardisation of the accounts for municipal companies in XLSX format. Prior to this, they only had the chart of accounts as text.

For municipalities, the mapping of the accounts must be to the municipal accounts.

The co-operation with SAF-T opened discussions in the accounting community in Norway for harmonizing charts of accounts for different purposes.

**Deadline**

Since the largest part of development work with SAF-T was imposed on system suppliers, the simplest introduction would be with smaller enterprises using standardised accounting systems, and included the use of accounts in the



*The building of Oslo East Regional Tax Office  
(Photo: Baard Brinchmann Løvvig)*

system without any deviations.

For larger enterprises that use multiple systems and customisation it is more complicated to arrange for disclosure of accounting information in the SAF-T format. According to Deloitte, SAF-T implementations can take anywhere from a few months to almost a year.

Businesses, system suppliers and government organisations had mentioned in the consultation that everyone was positive about the standard data format, but suggested time for introduction needed to be expanded. The introduction means not only mapping and XML, but also implementation in all systems and training of personnel. In addition, feedback from the financial industry stated that they needed more time for introduction due to complicated computer systems and additional reporting requirements.

We have done "temperature measurements" with the system suppliers on how system development worked in January 2017. Most have said that they have come a long way with development and will complete the implementation of SAF-T in their systems, if necessary, by 2018.

After many discussions between the parties involved, in December 2017, the Ministry of Finance made the final changes to the regulations, so that the obligation to disclose bookkeeping information in SAF-T enters into force from January 1, 2020.

**THE WAY FORWARD**

The introduction of SAF-T also triggered discussions in Norwegian newspapers between the accounting industry and the tax administration in the autumn of 2017. How much data shall be handed over to the tax administration? Is it advisable at the time of political discussion whether the authorities should at all times have access to all transactions in the accounts of the companies and are we on our way to Georges Orwell's future novel "1984"? At the same time, the Director of Skatteetaten assured in his reply that the Norwegian Tax Administration does not receive more data than is legally required. Efficiency and simplification will never go beyond legal rights.

The implementation of SAF-T Financial should also be open to other formats under the SAF-T umbrella. All cash register system suppliers are already required to implement XML i SAF-T format for storing of electronic information for the systems sold from 2017. Use of the cash register systems with SAF-T component is mandatory for business from 2019. The cash register data in SAF-T format is currently used only for control purposes.

SAF-T Financial in Norway is used now for control purposes only, but in the future, SAF-T, or maybe a more modern format, will form the basis for direct transfer of data that will be the base for tax and VAT returns. It will be transferred in the same way as the tax administration receive third party information now, for example from banks about taxpayers accounts and use this information in the prefill tax return for employees and seniors. We do not know when there will be a political consensus in society about direct use of accounting data, but we know that data standardization and direct data transfer is the future.

**FOR THOSE WHO WANT TO  
KNOW MORE ABOUT SAF-T IN  
NORWAY, WELCOME TO OUR  
SITE IN ENGLISH:**

<https://www.skatteetaten.no/en/business-and-organisation/starte-og-drive/rutiner-regnskap-og-kassasystem/saf-t-financial/>

# UPGRADING THE INTERNATIONAL PROFILE

## BY HOSTING IOTA EVENTS

**Mr Samson Uridia, Head of International Department of the Revenue Service of Georgia writes about the benefits of hosting IOTA events**

The Georgia Revenue Service, which constitutes single and unified agency responsible for tax and customs administration as well as SPS border control, was created in 2007.

The reformed organisation and modernised business processes of the Georgia Revenue Service (GRS), inter alia, resulted in better quality taxpayer services as well as improved tax collection. At the same time in parallel with reforming its tax administration GRS also took the decision to position itself as a proactive member of the international tax community. In this regard the administration is eager not only to benefit from the experience of others but also to share its achievements and contribute positively and actively to the international tax agenda. The sharing of experience with colleagues serves as a useful mechanism to reassess reforms already undertaken, obtain feedback, and get practical insights to

help in modifying and further developing existing approaches as well as to launch new initiatives. While being active in different international fora, in this article special emphasis is put on the importance and benefits gained from membership in IOTA, as a unique platform for experience, sharing and collaboration.

GRS became a member of IOTA in 2004 and in addition to our active involvement in several working and steering groups and hosting IOTA events, the administration also became a member of the Executive Council in 2017.

The groundbreaking decision for GRS in collaboration with IOTA was hosting the first IOTA workshop in 2012, when the Service was able to see tangible benefits from contributing to the work of an international organisation.



▼  
Tbilisi  
—

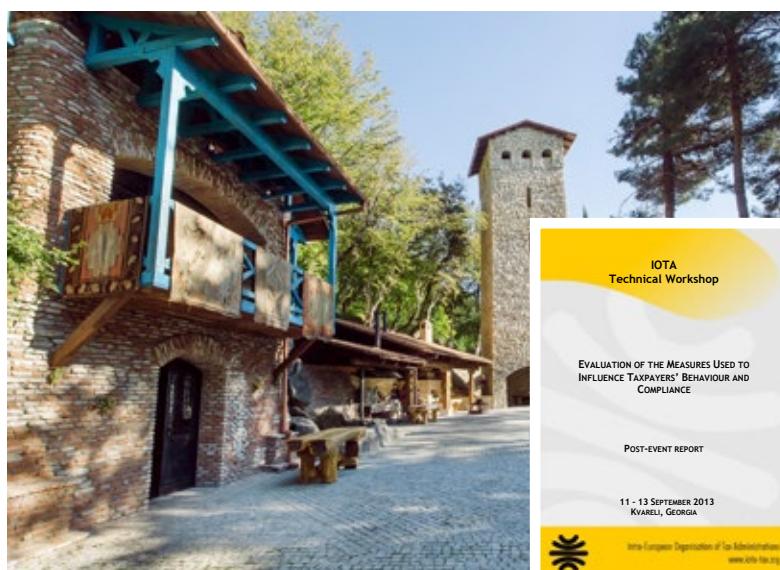
## HOSTING INVOLVEMENT HAS BEEN BROAD IN SCOPE AS YOU CAN SEE FROM THE LIST OF THE EVENTS HOSTED IN GEORGIA:

### IOTA CASE STUDY WORKSHOP

19 – 21 SEPTEMBER 2012

“AUDITING INDIVIDUALS & LEGAL ENTITIES IN THE USE OF E-MONEY”





## WORKSHOP

11-13 SEPTEMBER 2013  
“EVALUATION OF THE  
MEASURES USED TO  
INFLUENCE TAXPAYERS”

IOTA  
Technical Workshop

EVALUATION OF THE MEASURES USED TO  
INFLUENCE TAXPAYERS’ BEHAVIOUR AND  
COMPLIANCE

POST-EVENT REPORT

11 - 13 SEPTEMBER 2013

KVARELI, GEORGIA



International Organization of Tax Administrations  
[www.iota-tax.org](http://www.iota-tax.org)

# SPECIAL INTEREST WORKSHOP

17-19 SEPTEMBER 2014

“MODERNIZING PAYMENT  
METHODS”



## WORKSHOP

20-22 OCTOBER, 2015

“EFFECTIVE USE OF INTELLIGENCE  
AND RESEARCH TO FIND NEW  
SEGMENTS AND NEW AREAS OF VAT  
FRAUD AND TAX EVASION”

## MEETING OF IOTA AREA GROUP DEBT MANAGEMENT

5-7 OCTOBER, 2016

“USE OF BEHAVIOURAL ECONOMICS  
IN REDUCING TAX DEBTS”





15-16 MARCH 2017

## ``24TH FORUM OF IOTA PRINCIPAL CONTACT PERSONS``

In addition, the administration has already hosted a number of international events, including several workshops and administrative events organised by IOTA in our country. There are several benefits which encourage and justify our decision to host IOTA events in Georgia. The first is the great possibility for GRS to send more tax officials to attend and thus give them extra motivation and opportunity to gain new insights, providing opportunities to set up valuable working networks with colleagues in other administrations which often results in prioritisation of the discussed issues and developing

of an international agenda by the mentioned officials. Furthermore the hosting of events also contributes to raising the awareness of IOTA within tax administration and its management. Last but not least it is also very good investment aiming to capitalise on the financial contribution to the IOTA budget and to share Georgian culture, hospitality, landscape with participants. Active contribution and involvement in different IOTA fora serves in providing insights as well as offering assistance in our efforts to modernise our tax administration in line with best international practice. Bearing all of the

## WORKSHOP

24-26 APRIL, 2018

## ``THE NEWEST POSSIBILITIES AND FUTURE TRENDS OF TAXPAYER SERVICE``

above in mind, last year GRS went even further by putting itself forward as a candidate to become a member of IOTA Executive Council, also realising the importance of being actively involved in the planning and management process of the organisation and ensuring a regional presence as well as representation as an emerging country in the Executive Council. Believing that we were able to contribute to the progress made by IOTA, GRS feels more confident in seeking IOTA members' support to become an Executive Council member in 2018 as well, for the second year in a row.



# COOPERATION FOR TAX DEVELOPMENT

## Interview with Mr Magnus Wallin, Head of Department for International Cooperation of the Swedish Tax Agency about the Swedish experience as a provider of technical assistance

The Swedish Tax Agency has a specialised office for working with technical assistance, Office for International Projects (OIP). For the moment, the office has ten members of staff and is part of the Department for International Cooperation, which is headed by Mr. Magnus Wallin.

Since the mid-1980s, the Swedish Tax Agency has been working with technical assistance in most areas of tax administrations.

The projects are set up with both long-term and short-term experts. The long-term expert need to be specialized in one or more areas and he or she also assists with project management. For short-term experts, the duration of the efforts may vary, usually one to two weeks at a time, a few times a year.

The Swedish Tax Agency's technical assistance follow the foreign policy guidelines, which are set up by the Government and the Parliament.

Within the tax area, the purpose of this activity is to contribute to:

- Democratic development
- Poverty reduction and increased gender equality
- A tax system that contributes to increased investment and economic development
- To increase the finances and independence of the partner country

Co-operation partners in the recipient countries are finance ministries and tax authorities.

OIP is responsible for ongoing projects, which means that OIP manages and coordinates the projects as well as it handles the negotiations with the recipient countries.

**The Swedish Tax Agency (Skatteverket) has long experience from technical assistance. What would you say are the key factors for a successful project?**

We see the technical assistance as a long-term business. This means that individual projects usually last for several years, very rarely for less than three years. That gives time for real

development and capacity building, not only gap filling. Our approach is to always develop solutions and change in culture in cooperation with the receiving countries. We want the receiving country to push rather than us pulling!

**What international projects are you currently running and why are those beneficial to Sweden?**

We have projects in Albania, Cambodia, Kenya, Kosovo, Moldova and Mozambique.

Taxation has a key role in the development of a democratic and economically viable society. It is also important for financing of the Sustainable Development Goals (SDG's).



Mr Wallin in Banja Luka for a technical assistance project with Tommy Carlsson Sweden's former PCP, now long term expert in Sarajevo



IOTA's President, Mr František Imrecze, the President of the Financial Administration of Slovakia speaks in the Stockholm Tax Conference

International projects also give input to our tax administration. We learn from each other and we get new ideas and knowledge from working together with our partners!

**Recently Sweden hosted a tax conference, focusing on capacity building. Could you tell us something about the conference?**

The Conference on Capacity Building concerning Taxation was held in Stockholm on 30-31 May. The aim was to strengthen tax administrations across the globe, by providing an opportunity for experience exchange and feature case studies of successful capacity building in taxation. We were very happy that Mr Imrecze accepted to join a panel discussion about the role of regional organisations.

The conference was a great success with 450 participants from 90 different countries. Apart from eight very interesting breakout sessions with different themes, the conference gave a splendid opportunity for networking and exchanging experiences.

**You are planning to candidate for the Executive Council at the GA in Bratislava. What do you consider is**

**the most important thing for IOTA to focus on the next years ahead?**

I think IOTA has united itself around a very good strategy. If I should highlight anything, I would like to put special attention to the focus on practical issues and solutions. No other organisation can offer that kind of support. One important challenge for IOTA is the ability to act rapidly; as change comes fast, this capability will be increasingly important.

In the long term IOTA could be an even more important arena for discussions and cooperating, as its members become closer. Close relations with neighbouring countries and organisations can really make a difference, and the internationalisation of tax issues will make us increasingly dependent on each other. I think all of our organisations will benefit from IOTA as our commune arena.

**Could you tell us something about yourself and your professional background?**

I have a master of law and I have been working at the Swedish Tax Agency since 1991. I have been moving around in Sweden, and for most of the time

worked as a manager in different areas. The last seven years I have focused in international issues as an International Director. Today I am responsible for the Swedish Tax Agency's international relations, the overall planning of exchange of information and the Swedish technical assistance.



Privately I spend my time on the Swedish west coast with my wife and two grown up children. My two most precious belongings are my road bike and my kayak.



**Massimo, you joined the Secretariat in September as an expert seconded by Italy. Why do you think Italy decided to contribute to IOTA by sending a colleague to IOTA Secretariat?**

I think it is the result of the deep reform that the Italian tax administration has gone through recently. The transformation in the Agenzia Entrate towards the digital economy requires an even more integration and exchange of information at the international level. This is why my tax administration has decided to be even more active in the international arena by sending also a tax official to the IOTA Secretariat. In my opinion this increases the benefits to be gained from the Italian membership of IOTA and also raises the international profile and network of an employee of the Agency.

**You have a profound experience at international level as Italian delegate at the OECD and official of the European Commission, you lived in Brussels and Rome so tell us what was bringing you to work for IOTA?**

IOTA is an international organisation with a high reputation in Italy. Although it is small in terms of human resources, it is very active and efficient in exchanging expertise at the international level. I think IOTA is very special because its membership is wider than the European Union and its objective of "finding solutions for practical problems" is something very useful and unique. There are no other organisations providing such a pragmatic service in Europe, i.e. a constant platform where tax officials can exchange practices, increase their

network and receive a continuous update on how to face the new tax challenges. So this practical aspect of the mission of IOTA attracted me to apply for this position after so many years during which I had spent with dealing with tax policy issues.

**You spent almost one year in IOTA. What is what you think you gained and can bring back to Italy?**

Since I arrived in IOTA I have been involved in numerous activities in different areas. I have already felt that being part of the IOTA Secretariat increased not only my international tax expertise but I also gained a clearer picture of what a tax administration should be in the years to come. It was a great pleasure for me in October to represent IOTA at a meeting hosted by the World Customs Organisation (WCO) and to

deliver a presentation on "Customs-Tax cooperation". I experienced personally how the international tax community is interested in IOTA and what potential IOTA has in the tax arena. I am also very engaged with supporting events for our membership. I am organising a Forum on Combating VAT Fraud and I have been involved in other workshops such as on the use of performance indicators and decision-making process, compliance of digital economy operators and future trends of taxpayer services. During the workshops I was really happy to experience how colleagues from other tax administrations are eager to share their knowledge and also enthusiastic to learn, listen and ask. So while being a manager of a workshop I also became just one of the participants: I enjoyed being in the circle of many knowledgeable and open colleagues and tried to "absorb"



Massimo with Ms Ana Hinojosa, Director of Compliance and Facilitation Directorate of WCO in 2017 October

# WORKING FOR IOTA

**Interview with Mr Massimo Morarelli, seconded to IOTA by the Italian Revenue Agency (Agenzia delle Entrate) about his experience as an IOTA tax expert**



Massimo speaking in IOTA workshop "Use of Performance Indicators and Measures for Decision Making Process" in Budapest in 2017 November

as much information, knowledge and also contacts as I could. This will be a great asset to bring back to Agenzia delle Entrate. An asset that will be useful for my future work, but also at the disposal of my colleagues to share with. Now I can contact many colleagues, moreover friends, belonging to other tax administrations if I need

information, project partners, etc.

**What do you expect from your next year in IOTA? Can we hope to have an IOTA event in Italy?**

Next year, it is going to be very busy. I will be involved in many activities, especially in the areas of monitoring

E-commerce, Forum on BEPS and Forum on AEoI. Many significant events touching upon the most relevant and hot topics of the international tax agenda. An IOTA event in Italy? Of course! I am delighted that in September (26-28 September), Rome will host the Forum on Combating VAT Fraud. We have already received a lot of interest and I am convinced it is going to be a key VAT-focused event for IOTA. Also the Forum's theme "Future challenges in tackling cross-border and digital VAT fraud" has created many expectations and I am sure it is going to be a very successful event.

**As you lived before in the most beautiful cities in Europe we are curious to know how you feel about living in Budapest?**

Budapest surprises me every day. It is very charming, full of history and culture, not to mention the constant temptation coming from the gastronomy. And you can imagine as an Italian, coming from Perugia, one of the culinary centers of Italy, I have very high expectations from a national cuisine. And Hungary meets them! So as a consequence I have to pay extra efforts on doing exercises. So to summarise my staying in IOTA: I am gaining knowledge and I am constantly fighting against gaining kilos.

## ROME WILL HOST THE IOTA FORUM ON COMBATING VAT FRAUD IN SEPTEMBER 2018





37<sup>th</sup> EDITION

# **TAX TRIBUNE**

---

**magazine**