

COMMUNIQUÉ

We, the Heads of Tax Administrations and their representatives from the member countries of the Intra-European Organisation of Tax Administrations (IOTA), met in Budapest, Hungary, on the 17th and 18th of June 2026 for the Technical Session of the 30th General Assembly of IOTA under the professional theme “Empowering Tax Administrations to Tackle Tax Compliance Challenges through the Use of Artificial Intelligence and Behavioural Insights”.

Organised with the support of and under the Presidency of the National Tax and Customs Administration of Hungary, the Technical Session marked IOTA’s 30th anniversary and provided a timely opportunity to reflect on the evolution of tax administration and to look ahead to the next generation of compliance strategies. The Assembly brought together in person over 215 delegates and virtually over 110 attendees from Member and Associate Member Countries’ Tax Administrations, high-ranking officials of the governmental bodies of Hungary, Asian Development Bank (ADB), Commonwealth Association of Tax Administrators (CATA), EUROPOL, Intra-American Network of Tax Administrators (CIAT), Centre for Exchange and Studies of Tax Administration Leaders (CREDAF), International Bureau of Fiscal Documentation (IBFD), International Fiscal Association (IFA), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), United Nations (UN), and other representatives of international organisations, IOTA observers, business community representatives, tax practitioners and academia to exchange knowledge, experiences and practical solutions for strengthening compliance in a rapidly changing environment.

Tax administrations today operate in an environment shaped by increasing volumes of data, rising expectations for high-quality digital services, more sophisticated compliance risks and the need for faster, more targeted and proportionate interventions. Artificial intelligence is increasingly used to support taxpayer services, compliance monitoring, anomaly detection, fraud prevention, risk assessment and audit case selection. At the same time, behavioural insights help administrations understand how taxpayers make decisions, respond to communications, interact with administrative processes and encounter barriers to compliance.

The Technical Session recognised that artificial intelligence and behavioural insights are most powerful when considered together. AI enables tax administrations to analyse data, predict risks and automate processes at scale, while behavioural insights support the design of interventions that are more human-centred, timely, proportionate and effective. Their combined use can help tax administrations move from reactive enforcement to proactive compliance support, from generic communication to personalised guidance, and from fragmented interventions to integrated compliance strategies.

Across keynote addresses, technical presentations, expert panels, parallel sessions, open-space discussions and a curated exhibition, the Technical Session explored how tax administrations can responsibly use AI technologies, including machine learning, natural language processing and generative AI, to improve taxpayer service, compliance monitoring, fraud detection, risk assessment

and administrative efficiency. It also examined how behavioural insights can strengthen governance, improve taxpayer experience, reduce administrative burdens and increase voluntary compliance.

The discussions opened with strategic reflections on the rise of AI in tax administration. Presentations highlighted the importance of national and institutional AI strategies, the rapid modernisation of revenue administrations through AI-enabled risk management, and the growing convergence of AI and behavioural insights as a foundation for the tax administration of the future. Participants underlined that successful deployment of AI requires not only technology, but also clear governance, organisational readiness, multidisciplinary skills and sustained leadership commitment.

A dedicated exhibition, *“Artificial Intelligence and Behavioural Insights in Tax Compliance”*, complemented the Technical Session by showcasing practical tools, platforms and solutions that demonstrate how innovation is reshaping modern tax administration. The exhibition illustrated how AI-driven analytics, digital services, real-time transaction data, automated workflows, entity-level risk profiling, benchmarking tools, conversational guidance and behavioural approaches can be used to improve compliance outcomes, enhance service delivery and strengthen taxpayer engagement.

The Technical Session further examined practical applications of AI-driven tax compliance, including automated reconciliation, risk analysis, network analysis, predictive modelling, fraud detection, audit support, taxpayer risk scoring and digital transformation of compliance platforms. Experiences shared by administrations and partners demonstrated that AI can significantly enhance the ability of tax authorities to identify emerging risks, prioritise cases, improve operational efficiency and provide more consistent support to taxpayers. At the same time, participants emphasised that AI-generated insights must be translated into practical, lawful and proportionate administrative actions.

A central part of the discussions focused on governance, ethics and risks in automated decision-making. Participants considered how tax administrations can ensure transparency, explainability, accountability, human oversight, fairness, non-discrimination, high-quality data governance and effective legal safeguards when using AI-supported tools. They underlined that public trust depends on the ability of administrations to explain how AI is used, ensure that decisions remain contestable, monitor systems after deployment and avoid over-reliance on automated recommendations.

The role of behavioural insights in good governance was also explored. Participants discussed how behavioural knowledge can help refine internal processes and taxpayer services, identify administrative barriers, improve communication, reduce errors and design solutions that are centred on taxpayer needs. Behavioural insights were recognised as a practical and cost-effective means to increase voluntary compliance, improve institutional responsiveness and strengthen the relationship between tax administrations and citizens.

On the second day, the Technical Session focused on integration, practical application and the future outlook. Parallel sessions explored the intersection of behavioural science and AI in three key areas: enhanced tax compliance through AI-supported processes, predictive risk and behavioural profiling, and proactive compliance and service delivery. These sessions demonstrated how AI and behavioural insights can support taxpayer segmentation, risk scoring, early warning systems, revenue forecasting, debt recovery, user experience research, proactive services, automated analyses and audit readiness.

Participants also reflected on where behavioural insights meet AI for smarter compliance. They recognised that AI can identify taxpayers at risk of late filing, incorrect reporting or non-payment, while behavioural insights can help design the most effective prompts, reminders, messages and service interventions to guide taxpayers towards timely and accurate compliance. This combination has the potential to enable more personalised, preventive and citizen-centred compliance strategies,

provided that safeguards for fairness, transparency, proportionality and data protection are embedded from the outset.

Looking towards 2030, participants considered how the accelerating development of AI and behavioural insights may reshape the role of tax administrations and tax officials. As AI tools become more capable of detecting patterns, assessing risks and automating routine interactions, tax officials will increasingly focus on high-value expert tasks, complex judgment, relationship management and oversight of intelligent systems. Behavioural data science will help administrations design more empathetic and effective services, anticipate compliance risks earlier and build more resilient, intelligent and trusted public institutions.

Our discussions led to the following conclusions:

- Artificial intelligence and behavioural insights are becoming essential instruments for modern tax administrations seeking to address complex compliance challenges, improve operational effectiveness and strengthen voluntary compliance.
- AI can help tax administrations process large volumes of data, identify anomalies, detect fraud, assess risks, support audit selection, automate routine tasks and improve the timeliness and accuracy of compliance interventions.
- Behavioural insights complement AI by helping administrations understand taxpayer behaviour, reduce friction, simplify processes, improve communication and design interventions that are more targeted, proportionate and human-centred.
- The combination of AI and behavioural insights enables a shift from reactive enforcement towards proactive, preventive and personalised compliance management, where taxpayers are supported earlier and more effectively in meeting their obligations.
- AI-supported risk scoring, predictive analytics and behavioural profiling can improve the allocation of administrative resources, but they must be implemented with robust safeguards to prevent bias, unfair treatment and disproportionate interventions.
- Trustworthy AI in tax administration requires transparency, explainability, accountability, human oversight, clear governance structures, model validation, impact assessment, data quality controls and periodic review throughout the system lifecycle.
- Taxpayer rights, legal certainty, data protection and the principles of good administration must remain central when AI is used in risk assessment, compliance management, automated decision support or service delivery.
- Behaviourally informed digital services, user experience research and proactive taxpayer support can reduce confusion, prevent errors, increase engagement and build stronger relationships between citizens and tax administrations.
- Successful transformation requires not only advanced technologies, but also leadership commitment, organisational readiness, multidisciplinary teams, digital and behavioural skills, ethical awareness and a culture of experimentation and learning.
- International cooperation within IOTA remains essential for sharing practical experiences, developing a common understanding, comparing approaches and supporting administrations at different stages of AI and behavioural insights maturity.

As a natural follow-up to this General Assembly, tax administrations will continue to develop smarter, more responsive and more trusted compliance strategies by combining data-driven intelligence with

human-centred design. They will further seek to use AI and behavioural insights to improve taxpayer services, detect and prevent non-compliance, strengthen fairness and accountability, and support the sustainable digital transformation of tax administration.

We, as Heads of Tax Administrations, their representatives as senior officials and tax experts attending this General Assembly, agree to remain committed to cooperation within IOTA and to continue exchanging knowledge, experience and practical solutions that support the responsible, ethical and effective use of artificial intelligence and behavioural insights in tax compliance.

**Done in Budapest, Hungary
on the 18th of June 2026**