

Annual Report
2018/19



Tax Inspectors Without Borders

An OECD/UNDP joint initiative



*Empowered lives.
Resilient nations.*

This work is jointly published under the responsibility of the Secretary-General of the OECD and the Administrator of UNDP. The opinions expressed and arguments employed herein do not necessarily reflect the official views of the OECD or the UNDP or of the governments of their respective member countries.

© OECD/UNDP 2019

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

Photo credits: Images courtesy of Shutterstock.com and OECD.



This publication has been produced with the assistance of the European Union. The contents of this publication are the sole responsibility of the OECD and UNDP and can in no way be taken to reflect the views of the European Union.

Table of contents

Executive Summary	5
Acronyms	7
Glossary	8
1 TIWB in Context	9
2 Targets, Trends and Achievements	15
2.1 Expanding the Reach and Scope of TIWB Programmes	15
2.2 Partner Administration Engagement with TIWB	18
2.3 UNDP Roster of Experts	19
2.4 Collaboration with International Partners	19
2.5 Improving South-South Co-operation	20
2.6 Update on Expansion of the TIWB Initiative to Criminal Investigations	21
2.7 Reaching a Wider Audience	22
2.8 Other Communications	25
3 Results in 2018/19	27
3.1 Revenue Results	27
3.2 Measuring Broader Impact	28
3.3 Emerging Outcomes	30
4 Lessons Learned	33
4.1 Senior-Level Leadership	33
4.2 Host Administration Structure and Organisation	33
4.3 Tools and Systems	34
4.4 Legislation	35
4.5 Taxpayer Education Programmes	36
4.6 Language Skills	36
4.7 Mentoring	36
4.8 Remote Assistance	37
4.9 Community of Practice for Experts	37
4.10 TIWB Role in Promoting Tax Certainty	37
4.11 Challenges	38
4.12 Looking Ahead	39
5 Organisational Developments	41
5.1 Governing Board Meeting	41
5.2 Enhanced TIWB Profile Within UNDP	42
5.3 UNDP Country Office Engagement	42
5.4 Improving TIWB Implementation Processes	44
6 Draft Work Plan 2019/20	45

Annex A. 2018/19 Work Plan Achievements	47
Annex B. Breakdown of TIWB Programmes	49
Annex C. Governing Board	54
Annex D. TIWB 2016-2019 Objectives	57
Tables	
Table 2.1. Current TIWB Anonymised Support Programmes	17
Table 2.2. Use of Industry Experts to Complement TIWB Audits	18
Table 2.3. Ongoing and Completed South-South Programmes	21
Table 3.1. Common Programme Impact Indicators Used by TIWB Host Administrations	29
Table 3.2. Emerging Outcomes Reported by Host Administrations	31
Table A.1. 2018/19 Work Plan Achievements	47
Table B.1. Current TIWB Programmes	49
Table B.2. Current Anonymised TIWB Programmes	51
Table B.3. Current TIWB Criminal Investigation Pilot Programmes	51
Table B.4. Upcoming TIWB Programmes	52
Table B.5. Upcoming TIWB Criminal Investigation Pilot Programmes	53
Table B.6. Completed TIWB Programmes	53
Table D.1. TIWB 2016-2019 Objectives	57
Figures	
Figure 1.1. The Development of TIWB: Key Milestones	12
Figure 2.1. TIWB Programme Status as at 30 April 2019	16
Figure 2.2. TIWB Programmes as at 30 April 2019	17
Figure 2.3. TIWB Partner Administrations	18
Figure 2.4. TIWB Panel on “Fiscal Erosion and Tax Evasion: Connecting the Dots”	23
Figure 2.5. Side Event: “Mobilisation of Tax Revenues and Private Sector Engagement”	23
Figure 2.6. TIWB Experts’ Roundtable	24
Figure 2.7. TIWB Stakeholders’ Workshop	24
Figure 3.1. Cumulative Regional Reported Revenue Increases from TIWB Assistance 2012 to 30 April 2019	27
Figure 4.1. Top Ten Sources of Tax Uncertainty for Firms	38
Boxes	
Box 1.1. TIWB at a Glance	10
Box 1.2. TIWB Country Experience: Senegal	11
Box 2.1. Fighting Tax Crimes: The Ten Global Principles	22
Box 3.1. Sustaining Capacity Building in Kenya	28
Box 3.2. Georgia Revenue Service: Commitment to Transfer Pricing Audits	30
Box 4.1. Developing Employment Structures for the Uganda Revenue Authority	34
Box 4.2. Legislation Reform Leads to TIWB Programme Commencement in Pakistan	36
Box 4.3. Host Administration Challenges Affecting TIWB Success	39
Box 4.4. Expanding Exchange of Information for Improved Audits in Egypt	40
Box 5.1. UNDP Uganda: On-the-Ground Assistance for Host Administrations	43

Executive Summary

The Tax Inspectors Without Borders (TIWB) joint initiative by the Organisation for Economic Co-operation and Development (OECD) and the United Nations Development Programme (UNDP), is a **unique capacity-building initiative that embeds expert tax auditors (TIWB Experts) in tax administrations in developing countries** to provide practical hands-on assistance on current tax audits and international tax issues to local tax officials.

When it first met in 2016, the TIWB Governing Board set a target of 100 TIWB programmes to be launched by 2020. As of 30 April 2019, the initiative has 88 current, completed and upcoming programmes. TIWB is thus well on its way to achieving this target in concert with at least 49 tax jurisdictions across the globe. In 2018/19, the TIWB Secretariat launched 23 new programmes. The trend is towards increasing demand in Africa and expanding to new, previously untapped regions of the world, with a special focus on supporting countries in Asia this year.

As of 30 April 2019, TIWB audit assistance, including anonymised casework conducted during African Tax Administration Forum (ATAF)/OECD/World Bank Group (WBG) workshops since 2012, has yielded USD 480 million in additional tax revenue. Several jurisdictions also report significant assessments raised through TIWB support, which are at various stages of dispute resolution and will likely result in substantial tax yield in 2019/20.

The success of a TIWB programme cannot merely be measured in relation to the revenues raised by tax administrations. There are important other core benefits, including skills transfer, organisational improvements and increases in taxpayer compliance, and will likely pay dividends well into the future. **Tax officials are gaining the knowledge they need to identify when their big taxpayers are not paying the correct amount, as well as the confidence and skills to engage with them to ensure correct taxes are collected.**

These benefits have been well borne out in the past year as **demand for TIWB programmes remains strong across all regions of the world, and a significant number of Host Administrations are seeking additional programmes** in an effort to mobilise domestic resources.

The increasing number of programmes has been accompanied by important **lessons on how to overcome challenges for effective implementation.** These lessons will help further improve the support offered by the initiative.

Over the past year, **TIWB reinforced its relationships with regional and international organisations with a view to extending the reach of TIWB programmes.** Several Host

Administrations and TIWB Experts have noted the synergies between TIWB programmes and other international/bilateral tax audit programmes leading to effective capacity building. **There has also been a strong emphasis on promoting South-South co-operation, as India, Mexico, Morocco and South Africa have stepped up in the past year to lend their support to the TIWB initiative.**

The year ahead will see the TIWB Secretariat pursue the continuing implementation of the 2016-2019 Work Plan, including furthering measurement tools and metrics, deepening partnerships with regional tax organisations, execution of TIWB tax crime pilot programmes, and continuing to build South-South programmes. A major international conference on TIWB and possible future directions are under consideration for 2020. In addition, the OECD and UNDP will undertake a stocktaking exercise with a view to improving the delivery of TIWB programmes. For more on this see Section 4.12 and Chapter 6.

Four years on since its launch at the Third Financing for Development Conference in Addis Ababa, TIWB is playing its part in strengthening international co-operation geared towards building capacity in developing countries to attain the United Nations' (UN) Sustainable Development Goals (SDGs), as outlined in the Addis Ababa Action Agenda. The initiative's practical, learning-by-doing and results-oriented approach has quickly become a vital part of the wider development assistance on financing for development.

Acronyms

APA	Advance Pricing Agreement
ATAF	African Tax Administration Forum
BEPS	Base Erosion and Profit Shifting
CFA	Committee on Fiscal Affairs
CIAT	<i>Centro Interamericano de Administraciones Tributarias</i> (Inter-American Centre of Tax Administrations)
CO	United Nations Development Programme Country Office
CREDAF	<i>Cercle de Réflexion et d’Echange des Dirigeants des Administrations fiscales</i>
DAC	Development Assistance Committee
DGID	<i>Direction générale des Impôts et des Domaines</i> (Senegalese tax administration)
DGFIP	<i>Direction générale des Finances publiques</i> (French tax administration)
EOI	Exchange of Information
ETA	Egyptian Tax Authority
EU	European Union
FSH	Finance Sector Hub
FTA	Forum on Tax Administration
G20	Group of Twenty
GRS	Georgia Revenue Service
HMRC	Her Majesty’s Revenue and Customs (United Kingdom)
KRA	Kenya Revenue Authority
KSP_{TA}	Knowledge Sharing Platform for Tax Administrations
LAC	Latin America and the Caribbean
MNEs	Multinational Enterprises
PIIs	Programme Impact Indicators
OECD	Organisation for Economic Development and Co-operation
SDGs	Sustainable Development Goals
TIWB	Tax Inspectors Without Borders
TIWB-CI	TIWB criminal investigation programmes
UN	United Nations
UNDP	United Nations’ Development Programme
URA	Uganda Revenue Authority
WBG	World Bank Group

Glossary

Host Administration – The department or institution in a developing country or jurisdiction requesting TIWB audit assistance, responsible for assessment and collection of taxes and hosting the TIWB Expert.

Multinational enterprise group (MNE group) – A group of associated companies with business establishments in two or more countries.

Partner Administration – The department or institution in a country or jurisdiction providing a tax audit expert to a TIWB programme.

Roster Experts – Accredited audit experts, both serving and former, pre-qualified and listed by UNDP as available to implement TIWB programmes.

South-South co-operation – Refers to the technical co-operation among developing countries with low- and middle-income status, mainly in Africa, Asia and the Pacific, Latin America and the Caribbean.

Chapter 1

TIWB in context

The Tax Inspectors Without Borders (TIWB) joint initiative by the OECD and UNDP, is a **unique capacity-building initiative that embeds expert tax auditors in tax administrations in developing countries** to provide practical, hands-on assistance on current tax audits and international tax issues to local tax officials (see Box 1.1). The objective is to ensure that developing countries collect the taxes due from profits earned by multinational enterprises (MNEs).

When it first met in 2016, the TIWB Governing Board set a target of 100 TIWB programmes to be launched by 2020. **As of 30 April 2019, TIWB programmes have helped raise more than USD 480 million in additional tax revenue.** With 43 ongoing programmes, 16 completed programmes and an additional 29 programmes in the planning stage, TIWB is well on its way to achieving this goal. See Figure 1.1 for the key milestones achieved in TIWB's journey since inception.

The TIWB initiative sits at the crossroads of policy and practice. Over the past decade, the international community, led by the Group of Twenty (G20), has been pushing efforts to ensure that domestic tax bases are secure through the implementation of tough rules on tax transparency and new standards to prevent tax avoidance through base erosion and profit shifting (BEPS). These efforts have been very successful, leading to the establishment of truly inclusive international bodies for tax – the Global Forum on Tax Transparency and Exchange of Information for Tax Purposes (154 member jurisdictions) and the OECD/G20 Inclusive Framework on BEPS (134 member jurisdictions) – where developing countries have a seat at the table on an equal-footing¹.

TIWB plays a key role in the effective implementation of these international standards by providing the real-life experience that tax auditors need to ensure that their domestic tax laws

1 Memberships as at 30 August 2019.

Box 1.1. TIWB at a glance

TIWB programmes rely on the close collaboration of actors that each add value in distinct ways to the ultimate goal of building audit capacity in developing country tax administrations. Host Administrations request and engage foreign experts to assist on live tax audits. Experts provide years of experience and expertise in the audit of large businesses. Partner Administrations lend their expertise and direct assistance to support the programmes, while donors ensure that the initiative has the necessary funding. Finally, the TIWB Secretariat co-ordinates the programmes.



Each TIWB programme is bespoke - its structure and expected outcomes depend on the circumstances within each Host Administration. The programme cycle anticipates a series of missions, each lasting approximately one to two weeks, to assess, plan and execute the programme. A typical TIWB programme includes four to six missions where the TIWB Expert (and in some cases the TIWB Secretariat) works with Host Administration officials to scope and define the objectives, select cases to audit, conduct research and analysis, interview the taxpayer and ultimately issue a tax assessment. The final mission includes debriefing the senior management about the programme and an evaluation against agreed short-, medium- and long-term indicators. Most TIWB programmes last approximately 12-24 months.



are being applied appropriately and that their governments are collecting the tax revenue that is lawfully due to them (see the case of Senegal in Box 1.2).

The widespread implementation of international tax standards has provided tax administrations around the world with a wealth of information and opportunity to better apply their national tax laws. Bank secrecy is over and the automatic exchange of bank information has begun. Country-by-Country reports and the exchange of tax rulings relating to tax affairs of multinational enterprises take transparency to a new level.

For developing countries, the importance of these issues is magnified and the demand for the skills and experience necessary to implement the international standards and realise their benefits is even more acute. **Both the SDGs and the Addis Ababa Action Agenda on financing for development highlight the importance of tax revenues for development.** Tax revenues are the largest source of financing for development, providing the funds governments need to invest, relieve poverty, deliver public services and build the physical and social infrastructure for long-term development. In this context, TIWB has, through its effective mobilisation of different actors,

focused on one common objective of building capacity in developing countries and demonstrated the potential for effective development co-operation. The initiative's practical, learning-by-doing and results-oriented approach has quickly become an integral part of the wider development assistance on financing for development.

Box 1.2. TIWB Country Experience: Senegal

In 2014, Senegal's tax-to-GDP ratio was 20.9%^[2]. Although higher than the African region's average of 17.7%^[3], this was markedly lower than the OECD member country average of 34.2%^[4]. The Senegalese Tax Authority - *Direction Générale des Impôts et des Domaines (DGID)* - turned to TIWB as a vital partner in support of its efforts to boost the tax taken from MNE activities in Senegal and facilitate the creation of a competitive business environment where taxpayers pay their fair share of taxes voluntarily.

To date, two TIWB tax audit assistance programmes have been completed in Senegal in partnership with the French tax administration - *Direction Générale des Impôts et des Finances Publiques (DGFIP)*, with a third programme in the pipeline.



Senegal's first programme, conducted between December 2014 and December 2015, was implemented over the course of six one-week missions. During this time, a French expert worked with Senegalese tax officials on two audit cases dealing with issues of international tax, transfer pricing and exchange of information (in the transport and agriculture sector). Through this programme, Senegal reported an increase of USD 18.6 million in tax revenues in 2015 (from tax adjustments and penalties). Additionally, the Senegalese tax officials gained increased confidence in, insight and knowledge of handling the international tax issues of MNEs.

Following positive feedback from both Senegal and France, a second programme was implemented in 2016/17 (and completed in 2018/19 over the course of five one-week missions), covering technical transfer pricing issues in more depth. A new French expert worked with six Senegalese tax officials from the Large Business Directorate, Tax Law Directorate and Tax Information Directorate, on three audit cases relating to taxpayers in the oil and gas and mining sectors. These audits have already helped raise assessments in excess of USD 30 million. After such successful TIWB experiences, Senegal has requested a third TIWB programme – this time with a sectoral focus on MNEs in the telecommunications, banking and insurance sectors, expected to commence in 2019/20.

Senegal has, since the launch of the BEPS work, been actively engaged in international tax co-operation measures – serving on the Steering Group of the Inclusive Framework on BEPS, as well as the Focus Group of OECD's Working Party No. 6 on the Taxation of Multinational Enterprises.

A senior tax inspector from the DGID Senegal notes: "TIWB gives us a new way of analysing the taxation of international transactions. In any case, we are hopeful that the current audits underway are going to produce immediate financial benefits. But especially in the future, we want it to encourage taxpayers to change their behaviour. That is the biggest challenge."

For more information, see the TIWB Senegal case study video^[5].

Source: TIWB Secretariat

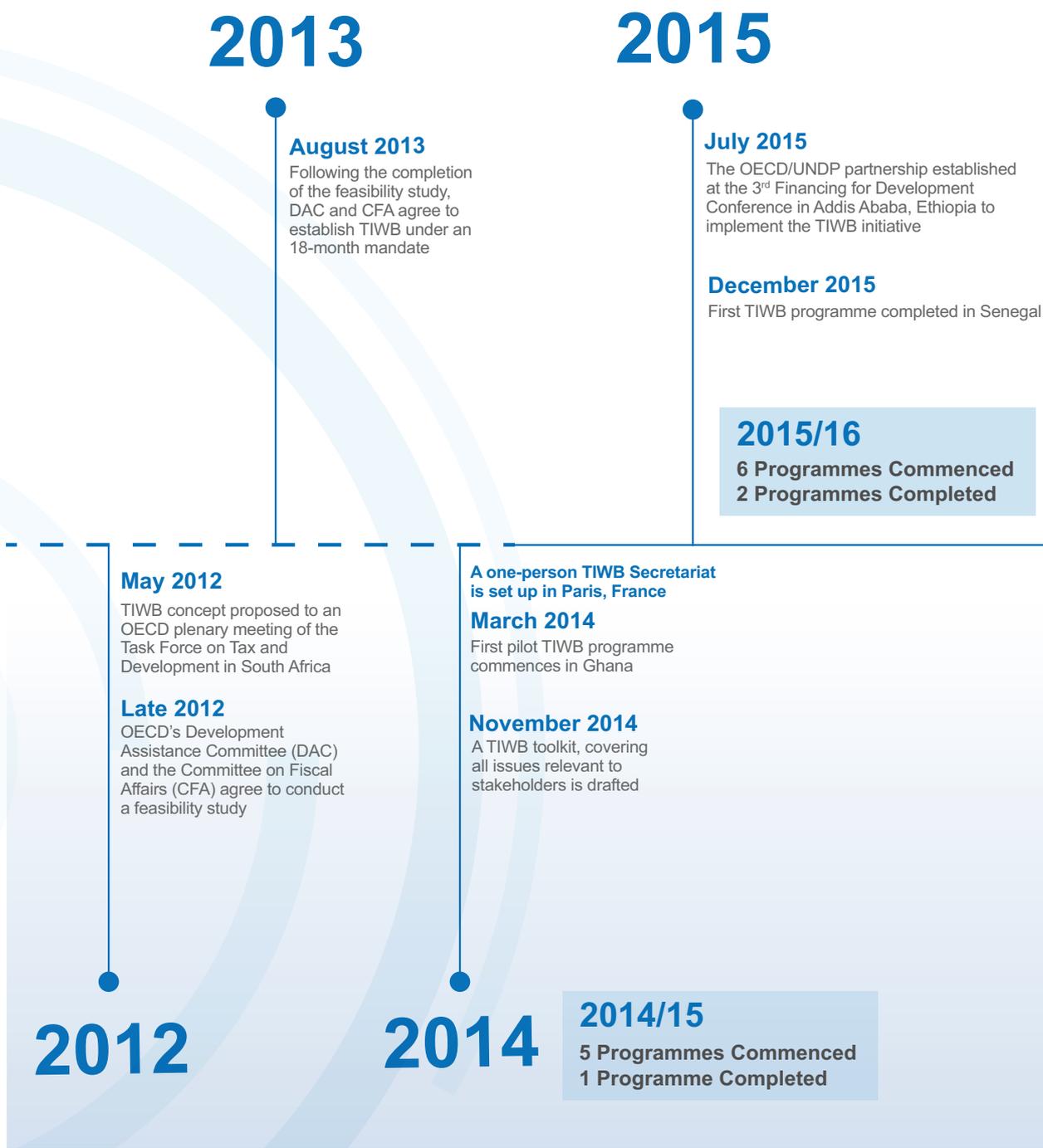
2 www.oecd.org/countries/senegal/revenue-statistics-africa-senegal.pdf.

3 www.oecd.org/countries/senegal/revenue-statistics-africa-senegal.pdf.

4 www.oecd.org/tax/tax-policy/revenue-statistics-2016-highlights.pdf.

5 www.youtube.com/watch?v=zvccM2Zsz44.

Figure 1.1. The Development of TIWB: Key Milestones



Source: TIWB Secretariat

2017

TIWB funds raised from voluntary contributions ("BEPS and Developing Countries Project" funding arrangement) and grant provided by the Government of Finland

July 2017

First TIWB Roster Expert is deployed to Uganda

November 2017

Inaugural Experts' Roundtable and Stakeholders' Workshop held in Paris, France

2017/18

**10 Programmes Commenced
4 Programmes Completed**

2019

February 2019

Second Experts' Roundtable and Stakeholders' Workshop held in Paris, France

April 2019

Governing Board agrees on the expansion of the Board, extension of the TIWB mandate and the commencement of pilot work in other areas of tax

January 2016

DAC and CFA agrees to establish a high-level Governing Board and UNDP agrees to establish a Roster of tax audit experts

April 2016

100 deployments by 2020 target set by Governing Board

October 2016

UNDP launches a call for experts to join new Roster of Experts

November 2016

TIWB reports its first figures on tax revenues collected

December 2016

First South-South programme between Botswana and Kenya is launched

February 2018

First pilot tax and crime programme commences in Namibia

May 2018

First South-South programme between Botswana and Kenya is completed

December 2018

50th TIWB Programme commences in Colombia

**Up to 30 April 2019, USD 480m
in increased tax revenues
attributable to TIWB programmes
and TIWB-style support**

2016

2016/17

**13 Programmes Commenced
3 Programmes Completed**

2018

2018/19

**23 Programmes Commenced
6 Programmes Completed**



Chapter 2

Targets, Trends and Achievements

In this chapter, the key milestones and trends are reported on under two general themes: expanding the reach and scope of the TIWB programmes and promoting TIWB successes to a wider audience. Annex A provides a detailed breakdown of TIWB's targets and achievements against the 2018/19 objectives set by the Governing Board.

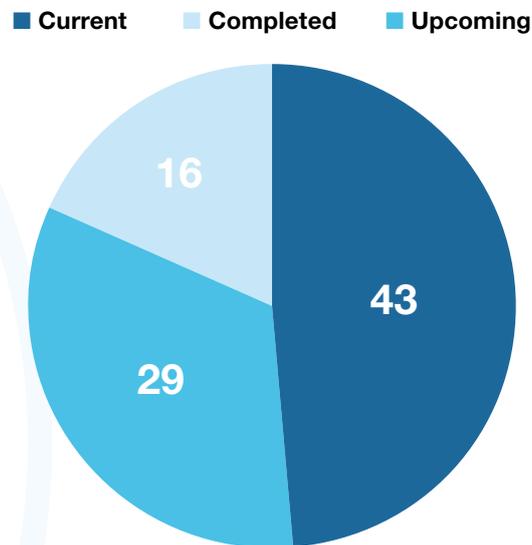
2.1 Expanding the Reach and Scope of TIWB Programmes

Demand for TIWB programmes remains strong across all regions of the world and a significant number of Host Administrations are seeking new programmes in an effort to mobilise domestic resources. The 2018/19 reporting period saw 23 new programmes initiated, spanning Africa, Asia and the Pacific, Eastern Europe, Latin America and the Caribbean (LAC).

TIWB boasts a global profile of 49 tax jurisdictions having current, completed and/or upcoming programmes. Figure 2.1 sets out the cumulative TIWB programmes.

Figure 2.1. TIWB Programme Status as at 30 April 2019

88 Current, Completed and Upcoming Programmes



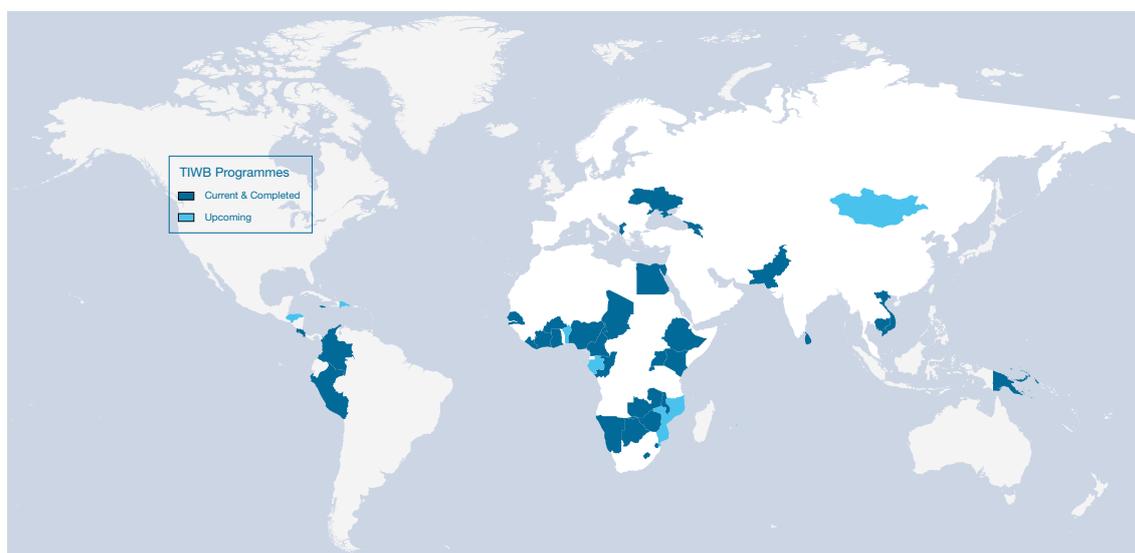
Source: TIWB Secretariat

Subsequent to an initial TIWB programme focussed on general tax audit assistance, 23 Host Administrations have requested a follow-on TIWB programme. Many of the follow-on programmes have a more specific sectoral or area of tax focus, such as advance pricing agreements (APAs).

Efforts to expand the geographical reach of TIWB in 2018/19 have been fairly successful with an upsurge in demand from LAC and Asia regions. The trend towards increasing demand in Africa is attributed to already well-established networks and existing technical assistance work by ATAF, the European Commission, OECD, and WBG. Demand is also increasing in the Asia and LAC regions. For example, TIWB has upcoming programmes in three new countries - Mongolia, Thailand and Viet Nam, adding to the regional work underway in Cambodia, the Maldives, Pakistan, Papua New Guinea and Sri Lanka. In the LAC region, TIWB has programme requests from four additional countries – Barbados, the Dominican Republic, Honduras and Peru. Prior to this year, TIWB was implementing programmes regionally in Colombia, Costa Rica and Jamaica. In the coming year, TIWB will focus on strengthening collaboration with the *Centro Interamericano de Administraciones Tributarias* (CIAT) and the Asian Development Bank to extend programme coverage in the LAC and Asia regions.

See Figure 2.2 for the regional spread of the programmes.

Figure 2.2. TIWB Programmes as at 30 April 2019



TIWB-style support is also provided on anonymised audit cases as a complement to other technical assistance and capacity building programmes conducted by the OECD/ATAF and WBG in a number of countries. These TIWB lite programmes offer an efficient and flexible solution for developing countries or jurisdictions requiring additional time to implement confidentiality requirements or other practical details needed for full TIWB programmes.

In 2018/19, these anonymised audit programmes continued in nine countries (see Table 2.1).

Table 2.1. Current TIWB Anonymised Support Programmes

Country or Jurisdiction	Host Administration	Partner Administration / International Partner(s)	Expert(s)
Cambodia	General Department of Taxation	EU / OECD / WBG	Former tax official
Kenya (1)*	Kenya Revenue Authority	ATAF / OECD / WBG	Former tax official
Nigeria (3)	Federal Inland Revenue Service	ATAF / OECD	Former tax official
Peru (1)	<i>Superintendencia Nacional de Aduanas y de Administración Tributaria</i>	OECD / WBG	Former tax official
Sri Lanka (1)	Inland Revenue Department	OECD	Former tax official
Uganda (2)	Uganda Revenue Authority	ATAF / OECD / WBG	Former tax officials
Viet Nam (1)	General Department of Taxation	EU / OECD / WBG	Former tax official
Zambia (1)	Zambia Revenue Authority	ATAF / OECD	Former tax official
Zimbabwe (1)	Zimbabwe Revenue Authority	ATAF / OECD / WBG	Former tax official

Note: *Numbers in parentheses indicate a unique identifier for countries/jurisdictions where multiple TIWB programmes are in place.

Source: TIWB Secretariat

TIWB Experts have provided assistance to Host Administration officials on over 250 audit cases since 2015. The majority of tax audit cases reviewed under TIWB programmes are in the manufacturing and mining sectors, followed by banking, sales and distribution, and

telecommunications. These five sectors represent approximately 50% of the audit cases reviewed. Other sectors include automotive, construction, food and beverage, insurance, oil and gas, other natural resources (e.g. forestry and farming), petroleum, pharmaceuticals, retail, technical services, tourism and hospitality, and transport and logistics.

Some TIWB programmes have had an entirely industry-specific focus in floriculture, forestry or mining, for example. In these programmes, industry experts are able to complement the guidance provided by TIWB audit experts under the tax audit assistance programmes. The 2018/19 period witnessed a rise in this type of demand for sectoral expertise from Host Administrations (see Table 2.2).

Table 2.2. Use of Industry Experts to complement TIWB audits

Country or Jurisdiction	Industry
Botswana (3)*	Diamonds
Ethiopia (2)	Floriculture
Papua New Guinea (2)	Forestry
Zambia (3)	Mining/Extractives

Note: *Numbers in parentheses indicate a unique identifier for countries/jurisdictions where multiple TIWB programmes are in place.

Source: TIWB Secretariat.

Additional details on TIWB programmes can be found in Annex B.

2.2 Partner Administration Engagement with TIWB

The steady growth of the TIWB initiative has been possible, in part, due to increased active participation from Partner Administrations. Sixteen tax administrations, including six tax administrations involved in South-South co-operation (see Figure 2.3), have deployed their serving tax officials on 28 current and completed programmes. One-third of TIWB Partner Administrations have participated in more than one programme, with France and the United Kingdom providing the greatest support – each implementing five current and/or completed programmes.

Figure 2.3. TIWB Partner Administrations



2.3 UNDP Roster of Experts

The UNDP-managed Roster of tax audit experts has also been expanded now with more than 50 Experts (Roster Experts) – half are former tax officials, while the other half are currently serving tax officials. Citizens from five countries - Australia, Canada, India, South Africa and the United States - represent 50% of the Roster Experts. Ghana, India, Kenya, Nigeria and Peru have also provided experts to the Roster. In 2018, UNDP embarked on the recruitment of French- and Spanish-speaking experts and their inclusion to the Roster of tax audit experts will be concluded in 2019.

2.4 Collaboration with International Partners

Ensuring good, open collaboration is an important part of making sure that the service TIWB provides to developing countries and jurisdictions leverages work done in other fora and avoids duplication of efforts. Over the past year, TIWB reinforced its relationships with regional and international organisations with a view to extending the reach of TIWB programmes. Several Host Administrations and TIWB Experts have noted the synergies between TIWB programmes and other international/bilateral tax audit assistance programmes leading to effective capacity building. Co-ordination with other development partners helps identify additional capacity building needs, which may be supported through complementary efforts by other ongoing programmes. The Secretariat's work over the past year has benefitted greatly from synergies with the following organisations:

- **ATAF:** In 2018/19, TIWB further developed its close partnership with ATAF in the delivery of TIWB anonymised support programmes in Kenya, Nigeria, Uganda, Zambia and Zimbabwe. ATAF facilitated instituting new full TIWB programmes in Botswana, Eswatini, Liberia, Uganda, Zambia and Zimbabwe. A significant number of ATAF member countries attest to the positive impact of ATAF support on international tax capacity building complemented by TIWB programmes.
- **Cercle de Réflexion et d'Échange des Dirigeants des Administrations Fiscales (CREDAF):** In 2018/19, CREDAF outreach to Francophone member countries increased interest in TIWB programmes in West Africa. CREDAF partnered with TIWB in March 2019 to launch a new South-South programme between Morocco and Cameroon. CREDAF also supported the launch of new programmes in Burkina Faso and Chad in 2018/19.
- **CIAT:** In 2018/19, TIWB continued its collaboration with CIAT. Following the success of a first TIWB programme in Costa Rica, the tax administration made a request for a second programme which launched in April 2019. CIAT continues to be instrumental in encouraging its member countries to participate in TIWB programmes and benefit from this niche support.
- **European Union (EU):** Previously, in 2017/18, the EU co-sponsored TIWB deployments in Egypt as part of its overall assistance programme to Egypt entitled 'Enhancing Domestic Resource Mobilisation in Egypt through a Better Tax and Exchange of Information System'. This assistance is expected to continue in 2019/20 for two new programmes. See Box 4.4 for more details.

- **OECD Forum on Tax Administration (FTA):** The FTA, comprised of 53 leading tax administrations, met in Santiago, Chile on 26-28 March 2019 and reiterated their commitment to the TIWB initiative as a highly successful example of effective collaboration. Eleven FTA members are currently deploying experts to support 20 tax administrations globally.

2.5 Improving South-South Co-operation

TIWB is committed to the Addis Ababa Action Agenda goal to strengthen South-South partnerships with a continuous objective to expand the offering of South-South partners and programmes in response to demands from Host Administrations. Some jurisdictions have acclaimed the benefits of South-South co-operation as a highly beneficial form of assistance that is more closely aligned with the host country's own cultural and practical realities. Host Administrations report ease of assimilation of knowledge from an expert with similar language skills and culture to the local officials. In the last year, the TIWB Secretariat welcomed the support of three new Partner Administrations that joined the initiative to further South-South co-operation. In August 2018, the Central Board of Direct Taxes, Department of Revenue - Government of India commenced a TIWB programme in Eswatini to provide support on transfer pricing issues to the Eswatini Revenue Authority.

In December 2018, the Mexican tax administration (*Servicio de Administración Tributaria*) began providing assistance on transfer pricing to the Colombian tax administration (*Dirección de Impuestos y Aduanas Nacionales*).

Similarly, Morocco's tax administration (*Direction Générale des Impôts du Maroc*) commenced a programme of support for Cameroon (*Direction Générale des Impôts du Cameroun*) in March 2019, whereby the expert is assisting local auditors with risk assessment, requests for taxpayer information and general audit processes related to international tax. The auditors in Cameroon are enthusiastic about benefitting from the experience of an African expert.

These new Partner Administrations join three existing South-South Partner Administrations (Kenya, Nigeria and South Africa) and are expanding the regional and linguistic reach of TIWB's South-South programmes (see Table 2.3). Interest remains high from other tax administrations to participate and share expertise within the limits of their own resources. Funding for South-South TIWB programmes comes primarily from the UNDP-managed TIWB fund, with the seconded TIWB Experts continuing to receive their regular salaries from the Partner Administration.

Table 2.3. Ongoing and Completed South-South Programmes

Host Administration	Partner Administration or Expert	Status
Botswana (2)*	Kenya Revenue Authority	Completed
Botswana (3)	South African Industry Expert	Completed
Cameroon (2)	<i>Direction Générale des Impôts du Maroc (Morocco)</i>	Ongoing
Colombia (2)	<i>Servicio de Administración Tributaria (Mexico)</i>	Ongoing
Eswatini (1)	Central Board of Direct Taxes, Department of Revenue (India)	Ongoing
Liberia (2)	Federal Inland Revenue Service (Nigeria)	Ongoing
Uganda (1)	South African Roster Expert	Ongoing
Zambia (2)	South African Revenue Service	Ongoing

Note: *Numbers in parentheses indicate a unique identifier for countries/jurisdictions where multiple TIWB programmes are in place.

Source: TIWB Secretariat

2.6 Update on Expansion of the TIWB initiative to Criminal Investigations

In 2018/19, progress was made in establishing pilot programmes in the area of tax crime investigations. The first pilot TIWB criminal investigations (TIWB-CI) programme was launched in Namibia in February 2018. Both serving and former financial crime investigators from Germany and the United Kingdom provided hands-on investigation support to local investigators on anonymised fraud cases and reviewed the existing investigative capabilities to ascertain gaps. Six additional countries, Armenia, Colombia, Honduras, Kenya, Pakistan and Uganda, have signed up for TIWB-CI pilot programmes and scoping missions and self-assessment exercises are underway. The experience of this diverse geographical mix of jurisdictions will be the basis for developing a feasibility report in 2020.

Self-assessments are being conducted by the above countries and jurisdictions using a tool called the Maturity Model, developed by the OECD's Task Force on Tax & Crime, to identify gaps for capacity building in their criminal tax organisations. The model is based on *Fighting Tax Crimes: The Ten Global Principles*⁶, and describes five levels of maturity of various elements under these ten principles (listed in Box 2.1).



With this self-assessment tool, governments identify and address gaps which pinpoint areas requiring institutional support to be offered by the OECD in collaboration with a Partner Administration. It is contemplated that TIWB work on live investigation cases will complement the efforts of the broader institutional assistance. Furthermore, it is anticipated that the TIWB Expert(s) deployed by the Partner Administration will work with local investigators towards resolution of the identified cases using TIWB's learning-by-doing approach.

6 www.oecd.org/tax/crime/fighting-tax-crime-the-ten-global-principles.htm.

Box 2.1. Fighting Tax Crimes: The Ten Global Principles

- 1) Ensure that tax offences are criminalised;
- 2) Devise an effective strategy for addressing tax crimes;
- 3) Have adequate investigative powers;
- 4) Have effective powers to freeze, seize and confiscate assets;
- 5) Put in place an organisational structure with defined responsibilities for fighting tax crimes and other financial crimes;
- 6) Provide adequate resources for tax crime investigations;
- 7) Make tax crimes a predicate offence for money laundering;
- 8) Have an effective framework for domestic inter-agency co-operation;
- 9) Ensure that international co-operation mechanisms are available; and
- 10) Protect suspects' rights.

Source: OECD (2017), Fighting Tax Crime: The Ten Global Principles, www.oecd.org/tax/crime/fighting-tax-crime-the-ten-global-principles.htm.

See Annex B for further details of the initiated and upcoming pilot TIWB-CI programmes.

2.7 Reaching a Wider Audience

In the past year, the TIWB Secretariat has been active in promoting awareness of TIWB at different venues and to diverse audiences through its bi-annual newsletter, multilingual website and social media presence, and presentations and participation at a number of high-level events.

2.7.1 Paris Peace Forum

The TIWB initiative was identified as a distinguished global project featured at the inaugural Paris Peace Forum held in Paris on 11-13 November 2018. French President, Emmanuel Macron, launched the Paris Peace Forum as an annual event to revive support for collective governance, international co-operation, norms, and institutions that broaden the coalition for a more just and peaceful world. TIWB's inclusion recognised the important role it plays in fostering multilateralism and development co-operation. The event was an excellent opportunity for the TIWB Secretariat to engage global leaders and highlight the initiative's efforts to strengthen co-operation on tax matters and enhance domestic resource mobilisation by developing countries (see Figure 2.4).

2.7.2 International Conference on the Emergence of Africa

On 19 January 2019, TIWB hosted a side-event in the margins of the International Conference on the Emergence of Africa, entitled 'Mobilisation of Tax Revenues and Private Sector Engagement' in Dakar, Senegal (see Figure 2.5). The side event was an occasion to learn more about the complex domestic resource mobilisation challenges faced by many countries in Africa and how these

Figure 2.4. TIWB Panel on “Fiscal Erosion and Tax Evasion: Connecting the Dots”



Note: Speakers from left to right: Satu SANTALA (Director-General for Development Policy, Ministry of Foreign Affairs, Finland), Abdoulaye MAR DIEYE (Assistant Secretary-General, Bureau for Policy and Programme Support, UNDP), Monica BHATIA (Former Head of the Global Forum on Transparency and Exchange of Information, OECD), Pascal SAINT-AMANS (Director of the Centre for Tax Policy and Administration, OECD), Marlene PARKER (Chief Tax Counsel, Tax Administration Jamaica)

Source: TIWB Secretariat

could be addressed, including with the support of development partners. The key themes of the conference were the emergence of African countries, the governance of public institutions, and how to support inclusive and sustainable economic transformation in the region.

The event featured a new TIWB Senegal case study video⁷ describing how countries can benefit from TIWB programmes. The panellists also discussed how African governments can effectively engage with the private sector, particularly with MNEs, so as to motivate them towards being responsible ‘citizens’, with an important role to play in Africa’s development.

Figure 2.5. Side Event: “Mobilisation of Tax Revenues and Private Sector Engagement”



Note: Speakers from left to right: Mr. Ayodele ODUSOLA (Chief Economist & Head, Strategy & Analysis Team, Regional Bureau of Africa, UNDP), Ms. Cemile SANCAK (Resident Representative, International Monetary Fund (IMF)), Ms. Eunice KAMWENDO (Strategic Advisor, Regional Bureau for Africa, UNDP), Ms. Samia ABDELGHANI (Tax Advisor, Centre for Tax Policy and Administration, OECD), and Mr. Amadou Abdoulaye BADIANE (Director, Legislation & International Co-operation, Senegal Revenue Authority).

Source: TIWB Secretariat

7 www.youtube.com/watch?v=zvccM2Zsz44.

2.7.3 Experts' Roundtable and Stakeholders' Workshop

Tax experts and other stakeholders from 28 countries and 7 international and regional tax organisations met at the OECD in Paris on 18 February 2019 for the second TIWB Experts' Roundtable and Stakeholders' Workshop (see Figure 2.6 and Figure 2.7). The meetings were hosted jointly by the OECD and UNDP.

Figure 2.6. TIWB Experts' Roundtable



Note: 18 February 2019 in Paris, France.
Source: OECD

Figure 2.7. TIWB Stakeholders' Workshop



Note: TIWB Stakeholders' Workshop Chair and TIWB Governing Board member, John Christensen (right), seated next to Head of Global Relations and Development Division, Centre for Tax Policy and Administration, OECD, Ben Dickinson (left).
Source: OECD

Throughout the meetings, participants discussed opportunities, risks and lessons learned, as well as means of measuring impact of TIWB programmes. Stakeholders expressed satisfaction with the achievements to date towards attainment of the initiative's target of 100 programmes by 2020. The meetings further benefitted from the presence of 15 Partner Administrations (both from developed and developing countries) involved in deploying experts and called on more tax administrations to join the initiative.

Participants appreciated the efforts of the TIWB Secretariat in supporting programmes, improving processes (i.e. simplified assistance request), and outreach via various communication channels, including the TIWB website, the annual report and e-newsletters. The meetings acknowledged the role of UNDP, made possible due to the generous support from the Government of Finland, in deploying Roster and Partner Administration Experts, particularly in support of South-South programmes. The crucial help received from UNDP's Country Office (CO) in Uganda in connecting stakeholders on the ground and its advocacy efforts in Uganda was also acknowledged.

Furthermore, stakeholders underscored the need for high-level best practice guidance for tax administrations on resourcing and retention of staff involved in the international tax audit function. For fuller coverage on this, read more in Section 4.2 Host Administration Structure and Organisation.

2.8 Other Communications

The TIWB website (www.tiwb.org) continues to be an important source of news and information about the initiative. The Secretariat regularly receives inquiries via the website and is able to publicise news and information to all stakeholders. In 2018/19, an additional section was added to the website highlighting new multimedia^[8] developed over the last year. This includes two animated videos about the initiative on “How it Works” and “TIWB: Expert Assistance”. It also showcases the second TIWB Senegal programme which was implemented in partnership with France and a short video by Tax Administration Jamaica about their experience implementing TIWB programmes. New short videos providing testimonials by Host Administrations, Partner Administrations and regional organisations supporting TIWB are also available on the ‘Get Involved’^[9] pages of the TIWB website.

The TIWB Secretariat publishes e-Newsletters^[10] bi-annually with updates on its programmes, country experiences and insights on its website. These e-Newsletters can be downloaded, printed and/or shared with others.

8 www.tiwb.org/resources/media/

9 www.tiwb.org/get-involved/

10 www.tiwb.org/resources/newsletters/

Chapter 3

Results in 2018/19

3.1 Revenue Results

The TIWB initiative continues to demonstrate impressive short-term results. **TIWB audit assistance, including anonymised casework conducted during ATAF/OECD/WBG workshops, has yielded cumulative increased revenue collected since 2012 of more than USD 480 million as at 30 April 2019.** This is a USD 66 million gain in revenue reported to the TIWB Secretariat since April 2018. Given time lags in finalising cases and reporting, some 2018 audit results are not yet included in this figure. At a regional level, revenue increases from Africa continue to be the most prominent (see Figure 3.1).

Figure 3.1. Cumulative Regional Reported Revenue Increases from TIWB Assistance 2012 to 30 April 2019



Source: TIWB Secretariat

With a significant return on investment, TIWB programmes continue to represent excellent value for money. On average, over USD 100^[11] in additional tax revenues have been recovered by Host Administrations for every USD 1 spent on TIWB operating costs between 2012 and 30 April 2019. Furthermore, more than USD 140^[12] in additional tax revenues have been recovered, on average, for every USD 1 spent on TIWB programmes in Africa over the same period.

3.2 Measuring Broader Impact

Beyond revenue gains, a balanced set of impact metrics are key to monitoring progress and evaluating the short-, medium- and long-term impacts of TIWB programmes. Regular progress reviews (carried out after every three missions) and final evaluations (filled out upon completion of programmes) by the TIWB Experts and the Host Administrations have been critical in gathering data for impact measurement. Mission report templates developed by the Secretariat have also been beneficial in collecting standardised and more comprehensive data for all programmes.

Box 3.1. Sustaining Capacity Building in Kenya

The Kenya Revenue Authority's (KRA) sustained focus on capacity building initiatives by diverse providers in the international tax and transfer pricing area have yielded positive outcomes for Kenya. In 2008, KRA organised an initial regional workshop offered by the OECD on the basics of transfer pricing. Later in 2012, the KRA embarked on a significant training programme for its staff on advanced transfer pricing issues and other international tax issues offered by the OECD's Task Force on Tax and Development, ATAF and the WBG, ensuring coherent and co-ordinated support. The training programme has been specifically tailored to Kenya's needs and its auditors' level of knowledge. The capacity building involves support on legislation, administrative guidance, and advice on live audit cases, albeit on an anonymised basis. KRA management has maintained fairly stable longer-term postings for KRA officers working in the International Tax/Transfer Pricing team in order to build specialised skills, a factor that has also strengthened staff motivation and retention.

The skills building programme has resulted in more efficient work by the KRA, an increase in the number of audit cases completed and revenue collected. The technical assistance work has also helped Kenya put in place measures designed to both protect its tax bases and engender a more transparent and predictable investment climate through the introduction of rules that create certainty and consistency for business. The Head of the International Tax Office at the KRA, acknowledges that "the value derived from insightful interactions with the experts on our cases is immeasurable."

Other benefits to Kenya include continental and global recognition, e.g. Chairing the ATAF inaugural Transfer Pricing Committee, as well as the Technical Committee on Cross Border Taxation, ATAF's recruitment of a KRA transfer pricing specialist, and KRA's TIWB South-South support to Botswana. KRA officials have also been engaged in international assignments such as the UN Committee of Experts, the Commonwealth Association of Tax Administrators and as Head of the TIWB Secretariat.

Source: Kenya Revenue Authority

In 2018/19, the Secretariat prioritised data collection of tax assessed and tax collected under TIWB programmes. Early analysis indicates that there is a significant time-lag between the time additional tax is assessed and when the tax due on those assessments is collected from taxpayers. Host Administrations report major inefficiencies in the dispute resolution processes under local legislation. In-depth analysis of all the sources of these time lags will be presented in the Annual Report 2019/20.

¹¹ Based on estimates by the TIWB Secretariat.

¹² Based on estimates by the TIWB Secretariat.

Although the Secretariat has limited data on the annual volume of audit cases processed by the Host Administration prior to TIWB tax audit assistance, many Host Administrations report developments such as improved case prioritisation (based on enhanced risk assessment capabilities), better analysis of transfer pricing documentation, improved use of comparability databases and more effectively structured audits leading to improved overall tax audit outcomes.

Selection of Programme Impact Indicators (PIIs) has allowed for better monitoring of the impact and achievements of TIWB programmes, with short- to medium-term objectives generally being achieved by the completion of the programme (see Table 3.1). Monitoring via these indicators, which are selected by the Host Administration in collaboration with the TIWB Expert, has also helped in ensuring commitment by the tax administrations to the success of the programme.

Table 3.1. Common Programme Impact Indicators used by TIWB Host Administrations

Selected PIIs		
Short-term	Medium-term	Long-term
Audit approach developed regarding the actions to be undertaken in the TIWB programme (strategic document).	Information is available on audits conducted and finalised under TIWB.	Changes in fulfilling tax obligations by companies that were audited, e.g. filing obligations, timely payments etc.; demonstrable effects of applying principles of compliance risk management in practice.
Description of audit approach available (more general outline of goals to be reached and how to get there; practical document).	Increased tax revenues from the performed audits (divided into assessments, penalties, interest).	Increased willingness to provide data and information by taxpayers.
Specific risk analysis and risk selection methods and criteria for the audited sectors are identified.	Staff are capable of applying the newly obtained knowledge and skills on audit approach and techniques.	Staff of tax administration acts and works according to principles and ideas of compliance risk management.
Risk selection and risk analysis methodology developed and implemented (supported by IT).	Staff are capable of applying principles of compliance risk management.	Decrease in number of litigations, objections and appeals made by taxpayer companies.
Internal guidelines for selection of audit cases set up and available (based on principles of compliance risk management and picking the right "tools").	Audits have been performed and finalised within the time frames, set out in internal procedures (monitoring system in place).	Increase in number of preliminary agreements on various tax matters made with taxpayer companies, along with improved quality of these agreements.
Training/education programme developed for involved employees regarding audit approach and audit techniques to be used (to be documented).	Increase in-depth audit activity, based on outcome of performed audits (third-party investigations, requests for exchange of information, etc.).	Taxpayer risks identified by sector and branch, and percentage of those risks quantified and modelled.
Internal manuals and guidelines regarding audit procedures and techniques for employees developed and in place (manuals should describe working procedures and contain relevant background information on the working processes).	Synergy effects of TIWB programme and other international/ bilateral tax audit assistance programmes.	Better communication between taxpayers and tax officials.

Note: The above table describes the seven most commonly selected short-, medium- and long-term PIIs, from current and completed TIWB programmes.

Source: TIWB Secretariat

3.3 Emerging Outcomes

Tax administrations supported by TIWB and other related technical assistance providers (e.g. ATAF and WBG) in developing countries report distinct outcomes which go beyond revenue. In 2018/19, the Secretariat was better placed to concretely identify and evaluate the positive qualitative outcomes (and patterns) that are emerging from TIWB tax audit assistance, given the increase in completed programmes over the last reporting year.

In particular, methodology and tools developed with the guidance of TIWB Experts, including transfer pricing audit manuals, risk assessment manuals and developing functional analysis, have greatly helped in knowledge transfer. The case selection process is also more consistent when based on risk assessment tools developed with the help of TIWB Experts.

Dedicated transfer pricing units or teams have been established in many Host Administrations and the number of allocated auditors tends to grow following the implementation of TIWB programmes. This reflects the commitment of the Host Administration to put in place the optimal organisational structure for ensuring proper skills transfer to the appropriate officials and to address the complex area of international taxation (see Box 3.2).

Box 3.2. Georgia Revenue Service: Commitment to Transfer Pricing Audits

The Georgia Revenue Service (GRS) had a transfer pricing team of four members when it requested a TIWB programme in 2018. As the programme commenced and the TIWB Expert started working with the local auditors, GRS recognised the impact of transfer pricing audits on their domestic resource mobilisation efforts. As a result, GRS created a Transfer Pricing Division and expanded the team to 10 members who are now fully engaged in transfer pricing audits and work with the TIWB Expert.

Source: Georgia Revenue Service

Overall, many Host Administrations having completed TIWB programmes report improvements in skills and competencies. These short- and medium-term outcomes are identified fairly quickly, while other outcomes, such as improved voluntary compliance, require additional time to become apparent. The participating auditors are generally part of the designated transfer pricing unit and/or large taxpayer tax unit of the Host Administration. Feedback from Host Administrations indicate that auditors' self-confidence in conducting international tax audits and taxpayer interviews is growing and this generally aligns with the self-evaluations completed by tax auditors at the beginning and end of the TIWB programme. Furthermore, the Secretariat has been made aware of some significant promotions and appointments, which have arisen out of improved knowledge, skills and confidence acquired through TIWB programmes. See specific examples in Table 3.2.

Table 3.2. Emerging Outcomes reported by Host Administrations

Outcomes	Host Administration Example
Skill & Competencies	
Knowledge and management of risk assessment and transfer pricing has increased based on tax auditor's pre- and post-programme self-assessments.	In Senegal, the auditors gained increased insight and knowledge of handling the international tax issues of MNEs.
Auditors show confidence in applying knowledge, conducting audits and/or interviewing taxpayers.	In Lesotho, the auditors gained increased confidence in handling the international tax issues of MNEs.
Tailor-made training has helped to interpret and analyse transfer pricing reports.	In Costa Rica, the TIWB Experts shared knowledge on criteria that could be followed to help identify points of contention in transfer pricing reports.
Knowledge sharing and peer-to-peer learning has improved through feedback mechanisms and teamwork.	In Costa Rica, the auditors worked on various case studies as groups and were able to identify the correct tax issues and audit approaches that should be taken.
Improved Tools, Procedures and Processes	
Requests for relevant transfer pricing documentation has led to more effective audit analysis.	In Costa Rica, the auditors learned about the advantages of international information requests and compelling a whole global entity to provide information (not just the domestic taxpayer) for improving the tax administrations understanding of taxpayers and the overall quality of audit proceedings.
Increased number of transfer pricing audit cases processed.	The ETA's transfer pricing team made significant progress in terms of familiarity with transfer pricing methodologies, documentation, and audit strategy. Egypt had no prior experience of conducting transfer pricing audits. A total of 25 audits were initiated under the TIWB programme, of which 8 were completed during the 16 month programme.
Guidelines and manuals developed have helped standardise processes and bring procedural transparency.	In Ghana, the TIWB Experts helped the auditors prepare a (standard) audit file and reports, as well as a (standard) information request to a taxpayer. The TIWB Experts noticed that the transfer pricing unit now uses these standards.
Practice notes on transfer pricing audits have been developed.	In Liberia, the Commissioner-General requested assistance in drafting a practice note for the rough diamond industry operating in Liberia.
Tax rules on APAs and mutual agreement procedures have been drafted.	In Georgia, initiating APAs was identified as a priority focus area, prompting the tax authority to request an additional TIWB programme focusing on APAs.
Recommendations have been made for a review of legislation based on weaknesses identified in audits.	In Cameroon, a significant first step came with the inclusion in the Tax Procedure Book (<i>Livre des Procédures Fiscales</i>) of the obligation to provide a copy of the ledger "in a usable computerised form". This article was added to the 2019 General Tax Code.
Organisational Changes	
Growth in the number of allocated transfer pricing auditors.	In Ghana, the TIWB Experts recommended adding more legal staff to the Transfer Pricing Unit, as knowledge of law, debating skills and report drafting experience were highly needed skills to help facilitate the advancement of audits.
Establishment of dedicated transfer pricing units.	In Liberia, a small team (drawn from the manufacturing, telecommunications and financial institutions sectors) was formed to take responsibility of transfer pricing audits going forward.
Employment structures based on accelerated career progression and performance-based salaries are under consideration to promote better retention of highly specialised staff.	In Botswana, the TIWB Experts recommended performance measurement based on tax revenue collection, not volume of cases covered.

Table 3.2. Emerging Outcomes reported by Host Administrations (Cont.)

Outcomes	Host Administration Example
Taxpayer Behaviour	
Precise requests for relevant documentation have contributed to increased willingness of taxpayers to provide data to the tax administrations.	In 2018, it became mandatory for taxpayers to lodge a transfer pricing return schedule to the Tax Administration of Jamaica - declaring all interrelated party transactions. This resulted in an overall increase in voluntary taxpayer filings.
Successful completion of cases is raising the credibility of tax auditors in the eyes of advisors and taxpayers.	In Liberia, awareness of the gearing up of auditors' tax audit capacities amongst the business community resulted in immediate improvements in voluntary tax compliance (from MNEs).

Source: Reported outcomes are derived from TIWB Expert mission reports, tax-auditor self-assessment forms, TIWB progress reviews and programme evaluation reports.



Chapter 4

Lessons Learned

TIWB programmes are flexible and adapted to the specific needs of each Host Administration. The TIWB Secretariat continues to focus on improving its processes and support provided for more effective capacity building. The annual Experts' Roundtable and Stakeholders' Workshop has been a valuable source of feedback for gathering lessons learned, further supported by information contained in TIWB Experts' mission reports. The lessons learned over the 2018/19 period can be broken down into some general categories and are presented below.

4.1 Senior-Level Leadership

Analysis of the most effective TIWB programmes demonstrates that senior-level leadership within Host Administrations is key to programme success. In countries where senior management takes ownership of the TIWB programme, the auditors are better insulated from external pressures that can arise when tax officials adopt more assertive approaches to auditing influential businesses.

Senior-level engagement and commitment motivates Host Administration officials to actively engage in decisions, take responsibility for the progress of the programme and ensure objectives are met.

4.2 Host Administration Structure and Organisation

The experience to date shows that a dedicated international tax audit team provides an important foundation for the success of TIWB programmes. A core team provides continuity for growing skills, peer-to-peer learning and increases the likelihood of institutionalised good practices. Regular transfers of staff in and out of international tax audit functions have been

observed to have a negative impact on developing the skills required to conduct such audits. There is a need to limit rotation of staff in specialised units.

It is imperative that Host Administrations establish a tailored performance management system that incentivises tax auditors to tackle and complete more complex cases. Auditors' performance should not only be judged on revenue targets, but also on additional factors such as the quality of risk assessment, number of cases opened/completed, etc. Since international audit cases may be extremely intricate and more time-consuming than domestic audits, not every audit case results in immediate revenue returns. Significant time is required for information gathering, functional analysis, establishment of the audited entity's profile and pertinent comparables searches, which can be difficult to conduct in developing countries.

It can be tempting for tax officials to take their newfound knowledge and skills as a means to transition into higher-paying jobs in the private sector. Some Host Administrations have fared better than others in motivating staff to retain their services for an extended period of time.

While TIWB has been successful in delivering assistance through its learning-by-doing approach, staff retention in the Host Administrations remains a key concern for many tax administrations. It is imperative that relevant teams within the Host Administration remain stable for a considerable time, especially where such staff has benefitted from participating in a TIWB programme.

Uncompetitive salaries are the primary reason why Host Administrations lose staff, mainly to the private sector. Other reasons include weak career progression, inadequate learning opportunities, and lack of relevant source materials among others, all of which culminate in low job satisfaction. In the case of Uganda, the TIWB expert was tasked by the Uganda Revenue Authority (URA) to make a proposal addressing the staff retention challenge (see Box 4.1).

Box 4.1. Developing Employment Structures for the Uganda Revenue Authority

Aware of the staff retention situation and related challenges (i.e. lack of financial resources to effect salary adjustments within the team), the TIWB Expert in Uganda proposed to the URA's International Tax Unit a revised, multi-tiered team structure to ensure a career progression, both from a technical and operational perspective. In its first year of implementation, the proposed operational structure would not have significant financial implications for the URA. Once fully adopted, the operational structure would have gradual and smoothed out financial requirements which could be absorbed by the URA over an extended period of time. This proposal is currently being reviewed by senior management of the URA.

Source: TIWB Expert

4.3 Tools and Systems

A large portion of the audits performed under TIWB programmes are complex transfer pricing cases, requiring judgments on whether the price set for intra-group transactions is comparable to the prices set by parties at arm's length.

Host Administrations have repeatedly raised concerns about the lack of access to commercial databases for comparability analysis, primarily due to high subscription costs. Where these

databases are accessible to a tax administration, they often are restricted to mainly foreign comparables, making it difficult for Host Administrations to apply that information to the local context. Certain Host Administrations note the benefits of receiving training on database searches simultaneously with a TIWB audit assistance programme. Such training has been carried out during TIWB programmes in Egypt, Jamaica and Nigeria.



TIWB Experts advise that in the absence of commercial database access, proper functional analysis, enhanced documentation requirements and careful selection of the tested party can mitigate some of the perceived challenges. Nevertheless, comparability data can increase audit efficiency and create

capacities to achieve important adjustments through reliable and credible information. Access to the same information held by MNEs strengthens the credibility of transfer pricing teams and reduces the risk of litigation.

4.4 Legislation

Modern legislation aligned with international best practices and a network of exchange of information agreements provides a supportive framework for effective audits in international tax matters. Legislation based on international best practices can be adapted to the country or jurisdiction in order to mitigate the risk of transfer mispricing and base erosion. In Africa, ATAF/OECD/WBG and the Global Forum on Transparency and Exchange of Information for Tax Purposes' technical assistance programmes have helped establish robust legal and administrative frameworks, which have led to better outcomes for TIWB programmes.

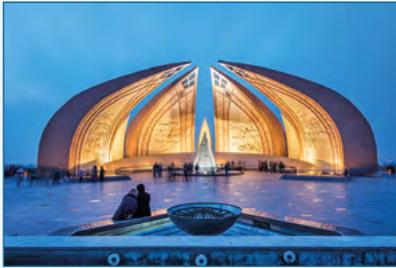
In a limited number of countries, local laws that restrict tax officials' access to beneficial ownership information or financial information is a key challenge for TIWB programmes. For instance, legislation which compels tax authorities to obtain a court order to procure banking information and/or lack of legislation which obligates taxpayers to report information (e.g. when there is no business registry) can be major obstacles to the audit process. Moreover, some statutes and concession agreements may severely limit the time within which tax officials can complete audits which may have an adverse impact on quality of audits and audit coverage.

Beyond specific legislation, concerns have arisen about judicial interpretation as new taxpayer disputes involving complex tax legislation are lodged in the judicial system. In some cases, no jurisprudence exists. In other cases, judges may not have the capacity to review complex international tax cases. A better grasp of the challenges Host Administrations face dealing with disputed assessments in the judicial system will be meaningful going forward.



A further practical constraint concerns the legal framework that may prevent the integration of foreign experts into Host Administrations. Some countries, such as Pakistan, have acknowledged this legislative constraint and have made adjustments to their laws (see Box 4.2).

Box 4.2. Legislation Reform Leads to TIWB Programme Commencement in Pakistan



Her Majesty's Revenue and Customs (HMRC) has been supporting the Federal Board of Revenue in Pakistan since 2014 via a capacity building programme aimed at helping Pakistan achieve its objectives on tax reform. Experts are providing transfer pricing advice on anonymised casework. Realising the benefits of having tax audit experts provide support on real audit cases, Pakistan amended its legislative provisions (sub-section 11 of Section 177) authorising foreign inspectors to participate in audit processes. The words **including a foreign expert or specialist** were inserted through

the Finance Act 2018, following guidance from the OECD:

*(d) any other person **including a foreign expert or specialist** as directed by the Board, to conduct an audit, including a forensic audit, of the income tax affairs of any person or classes of persons and the scope of such audit shall be as determined by the Board or the Commissioner on case-to-case basis.*

The above amendment enables the inclusion of foreign experts into audit panels, subject to their authorisation from the Federal Board of Revenue to audit taxpayers in Pakistan. This change led to the commencement of a full TIWB programme in 2018.

Source: TIWB Secretariat

4.5 Taxpayer Education Programmes

Awareness among the taxpayers' community about a Host Administration's compliance efforts and the impact of a TIWB programme can lead to greater taxpayer compliance and prevent the need for future audits. To be effective, this requires monitoring to detect any changes in behaviour and robust compliance action if the risks are still present. Baseline survey work planned by the OECD in 2019/20 to gather the views of tax officials from developing countries on MNE behaviour on tax matters may help to monitor this important aspect of compliance.

4.6 Language Skills

For some working languages, fluent tax audit experts are in short supply. The Secretariat has successfully worked around this issue by involving a second tax expert (not necessarily a tax audit expert) who has the required language capacity and knows the local cultural context. This strategy has been implemented successfully in both Egypt and Ukraine.

4.7 Mentoring

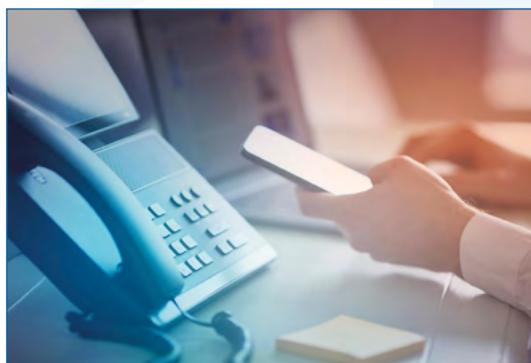
Programmes with mentorship arrangements are underway in a number of tax administrations. The arrangements involve (1) a lead TIWB Expert providing guidance and support to a secondary TIWB Expert, with less experience, over the course of a programme; or (2) the TIWB Expert providing continued remote mentoring support to local auditors after the completion of a programme. The former type of mentorship is currently being undertaken by the Netherlands, Nigeria, Spain and South Africa. Notably, a South African Roster Expert received mentoring while assisting with

the delivery of an anonymised TIWB programme in Uganda. Following this experience, he was empowered to lead a new TIWB programme (also in Uganda).

The Secretariat intends to better define this mentorship model and explore similar opportunities in 2019/20, such as triangular co-operation – whereby two countries jointly provide assistance to a third country.

4.8 Remote Assistance

Remote assistance is a key element of TIWB programmes. It is an effective way for TIWB Experts to continue to deliver assistance even when they are not physically present at the Host Administration. Auditors must take continued action on cases in between TIWB missions in order to maintain momentum and receive requested taxpayer information. Remote assistance may include review of cases, support in drafting legislative amendments and procedural documents, as well as some comparables database searches.



4.9 Community of Practice for Experts

A community of practice is available for TIWB Experts to exchange views and share experiences through the Knowledge Sharing Platform for Tax Administrations (KSPTA) developed by Canada Revenue Agency. This community allows experts to share tools developed during their deployments in TIWB programmes, as well as provide solutions to challenges.

4.10 TIWB Role in Promoting Tax Certainty

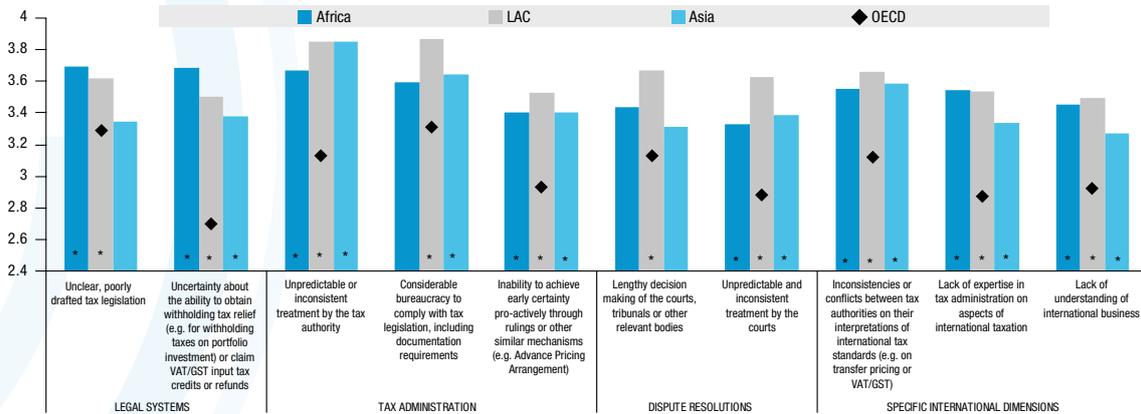
Strengthening professionalism and consistency in the application of the relevant tax rules and regulations is critical to sustaining substantive and administrative certainty. TIWB experts work with the Host Administrations to ensure that both taxpayers' obligations as well as rights are well-crystallised and adhered to.

The recent OECD/IMF 2019 Progress Report on Tax^[13] highlights key areas of concern for MNEs operating in developing countries. These include a need to improve predictability of taxation and taxpayer treatment, a lack of expertise within the tax administration, and better understanding and application of international standards. The OECD report, *Tax Morale: What Drives People and Business to Pay Tax?*^[14], evidences the top ten sources of tax uncertainty for firms by region (see Figure 4.1). While these vary per region, the specific international dimensions are directly related to the work undertaken in TIWB programmes.

¹³ www.oecd.org/tax/g20-report-on-tax-certainty.htm.

¹⁴ <https://dx.doi.org/10.1787/f3d8ea10-en>.

Figure 4.1. Top Ten Sources of Tax Uncertainty for Firms



Note: Results for the question, ‘Please identify in your experience how important each of the below factors has been in increasing the overall uncertainty on tax issues in the countries you have selected?’ The respondents could choose from a scale from 5 to 1, where 5 are extremely important and lower number indicates the factor is progressively less important. The question represented in this table was asked separately for each country selected by the respondents, each respondent could select a maximum of four countries.

Source: IMF/OECD (2017), Tax Certainty, IMF/OECD Report for the G20 Finance Ministers, <https://www.oecd.org/tax/tax-policy/tax-certainty-report-oecd-imf-report-g20-finance-ministers-march-2017.pdf>

TIWB can play an active role in developing countries and jurisdictions by promoting tax certainty and helping balance the need to raise domestic revenues while preserving taxpayers’ right to fair taxation (procedural and substantive). Achieving this equilibrium can be a daunting task for most revenue administrations, primarily those with lower capacity and expertise in international tax matters. TIWB Experts assist in building capacities and expertise within Host Administrations, which leads to greater predictability as tax officials consistently implement international tax standards. Practical assistance by TIWB Experts who share global best practices bridges the gap between tax legislation and its application during audits in the international tax area. Often, the Host Administration is able to develop audit manuals and practice notes to clarify application of legislation in a clear and consistent matter through guidance under its TIWB programme. All of these measures help mitigate against uncertainty arising from discretionary and incoherent application of international tax rules and audit practices. TIWB programmes demonstrate how building technical capacity can lead to improved relationships with MNEs locally and a positive change in compliance.

TIWB programmes also assist developing countries to better understand international business structures and value chains, which may further improve tax certainty. Alongside many TIWB programmes, the Secretariat provides dedicated sectoral experts to advise auditors on industry value chains – information that is critical for correct application of the law to audits. Measuring the views of business and firms can serve as a good baseline for benchmarking tax certainty and evaluating the contribution of TIWB programmes to its improvement.

4.11 Challenges

The increasing number of programmes has revealed lessons on what works, and specific challenges affecting TIWB effective implementation. A summary of the key challenges that have a direct impact on the implementation of TIWB programmes is listed in Box 4.3.

Box 4.3. Host Administration Challenges Affecting TIWB Success

- **Absence of foundational (international) tax infrastructure**, such as international tax legislation, an international tax unit, skilled staff and/or participation in international tax treaties/platforms.
- **Data access constraints (e.g. poor access to own and third-party data due to largely manual systems and/or lack of tax audit tools)**. The speed and effectiveness of audits are greatly affected when tax auditors are unable to carry out thorough and timely analysis of their own and third party data.
- **Pressure from Host Administration management to achieve short-term revenue targets**, thereby redirecting staff to focus their priorities and resources to domestic tax audits.
- **High staff turnover** – Host Administrations are unable to retain staff trained under TIWB programmes because of mandatory staff rotation policies and/or loss of skilled personnel to the private sector/retirement.
- **Limited expert supply pool** with necessary linguistics skills, cultural context, technical tax expertise and willingness to be deployed.
- **Domestic barriers imposed on foreign nationals**, e.g. legislation barring foreign national's access to confidential taxpayer information or barring the engagement of a foreign national in a government agency.
- **Structural issues**, including limited judicial capacity and tax assessment enforcement gaps.

Source: TIWB Secretariat

4.12 Looking Ahead

In the coming year, TIWB will undertake a stocktaking exercise to deepen the understanding of key issues affecting delivery of TIWB programmes. This study will assist in improving how TIWB delivers and inform the next phase of the initiative's expansion.

The stocktake will help OECD and UNDP:

- Assess what works and what does not; distil a complete understanding of the TIWB initiative as a product and its core features;
- Formalise, professionalise and define how TIWB does business in all aspects; and
- Advise on the next phase of TIWB's expansion.

In exploring new opportunities for the expansion of the TIWB model, the following distinguishing characteristics of TIWB delivery will continue to be central.

- Practical learning-by-doing, ensuring sufficient attention is given to capacity development, as well as ensuring the specific task (i.e. audit) is delivered;
- Ability of experts from other jurisdictions — peers — where possible, to work on sensitive and confidential core tax administration functions and tasks alongside local tax officials; and
- Implementation of tools that protect the confidentiality of taxpayers and the liability of foreign experts.

The initiative will continue to implement the current criminal investigation pilot programmes already underway and develop a feasibility report to be presented in 2020. Other opportunities to be explored include TIWB support for joint audits, exchange of information (EOI) for tax purposes and tax treaty negotiations. Regarding EOI, TIWB programmes will assist countries to overcome limited practical experience in drafting requests for information, as well as to develop procedures for how requests should be handled. Moreover, the Secretariat is exploring how to assist countries to effectively utilise financial account information received through the automatic exchange of information. The need for specific TIWB support on EOI has already been identified in Egypt (see Box 4.4) and Pakistan.

Box 4.4. Expanding Exchange of Information for Improved Audits in Egypt

The EU has been supporting Egypt through greater transparency and international co-operation to improve the design of its tax policies, implement the international standards on EOI, and benefit from the EOI instruments in tax transparency. The work is part of a wider EU package of development support geared towards enabling Egypt to enhance its domestic resource mobilisation to foster sustainable economic growth and income redistribution.

In December 2018, the Global Forum on Transparency and Exchange of Information for Tax Purposes delivered a workshop on transparency and EOI to officials of the Egyptian Tax Authority (ETA). The workshop focussed on the connection between the domestic tax investigation, the information-gathering framework and the international infrastructure for EOI, among other areas. Furthermore, it included a series of hands-on exercises which allowed participants to become familiar with using EOI networks and structures to improve the quality of tax audits and to combat transnational tax evasion. The Global Forum on Transparency and Exchange of Information for Tax Purposes also undertook a preliminary assessment of Egypt's legal and regulatory framework to identify any gaps with the Exchange of Information on Request standard. Arising from this assessment, Egypt has identified a specific need for TIWB assistance on EOI.

This new TIWB programme will commence in 2019 and will assist officials from the ETA to focus on the key concepts of transparency, including obtaining information from competent authority sources as part of the risk assessment process and audit execution. The programme will cover practical on-the-job training on EOI through TIWB's classic learning by doing approach. Assistance will be range from the initiation of audit process, including the completion and sending out of the EOI request, and assistance on incoming requests, to the appropriate use of information received from competent authorities.

Source: Egyptian Tax Authority

Chapter 5

Organisational Developments

5.1 Governing Board Meeting

The third annual meeting of the TIWB Governing Board was held at the OECD Washington Centre in Washington D.C. on 12 April 2019. The Board members expressed their overall satisfaction with progress to-date in assisting developing countries and jurisdictions raise additional revenues to finance the SDGs and build strong partnerships and collaboration among the various players involved in supporting domestic resource mobilisation efforts. The Board expressed appreciation to TIWB donors, partners, and civil society actors whose combined efforts contribute to TIWB's success. In recognition of the positive role of the Board, the Co-Chairs agreed to expand the Board with at least four new members in 2019/20. Going forward, the Board emphasised the need for more pro-active efforts to deepen South-South co-operation and strengthen the measurement of impact and outcomes of TIWB programmes. Finally, the Board welcomed the Secretariat's efforts to expand TIWB's work into new areas, including criminal tax investigation and exchange of information for tax purposes.



TIWB Governing Board Co-Chairs,
Ángel Gurría, *Secretary-General* (OECD),
and Achim Steiner, *Administrator* (UNDP)

5.2 Enhanced TIWB Profile Within UNDP

For UNDP and its network of 170+ COs worldwide, TIWB is now recognised as an integral part of its offering to support countries finance their SDG priorities. As UNDP consolidates and builds its larger SDG Finance offer, the lessons learned from implementing TIWB programmes are proving to be essential to enhance UNDP's provision of technical assistance to countries across a broad range of government operations, while also strengthening UNDP's partnership with OECD.

Within UNDP, the TIWB initiative, formerly managed under the Bureau for Policy and Programme Support office, will henceforth be under the operations of the Finance Sector Hub (FSH). The FSH is an experiment in building an agile innovation platform that draws on a critical mass of UNDP expertise, initiatives across all Bureaus, and partnerships to support the mobilisation and leveraging of significant resources for the SDGs, both at national and global levels. The FSH will serve as a connector, broker and global co-ordinator among internal and external actors; curate and manage UNDP's catalogue of service offers to governments, investors and companies to significantly enhance the scale and impact of UNDP's work. This is expected to positively impact TIWB programmes at the country level.

5.3 UNDP Country Office Engagement

A longstanding partner to developing countries, UNDP is helping support poverty eradication and the reduction of inequalities and exclusion. It helps countries to develop policies and institutional capabilities and build resilience in order to sustain development results. COs support national development planning processes, including through participatory dialogues on development priorities, project implementation, public expenditure management support and budgeting for the SDGs.

COs help the TIWB Secretariat understand a Host Administration's specific needs and assess the level of local political support for TIWB assistance. They provide TIWB Experts with an overview of the overall development landscape in a country, putting the audit assistance programme into context, providing relevant political and security briefings, and logistical support to TIWB Experts when on mission.

The network of COs has helped connect TIWB Experts with and facilitate co-ordination between, TIWB and various development partners in-country, identifying additional synergies between different technical assistance initiatives in the public financial management space.



COs are getting involved in taxpayer education and providing impetus for responsible tax citizenship of corporate entities. For example, read more about the CO efforts to support the TIWB programme implemented in Uganda (see Box 5.1). The aim is to facilitate a better understanding by citizens of the link between the requirements for quality public services and paying tax. This message is particularly useful when addressing the private sector.

Box 5.1. UNDP Uganda: On-the-Ground Assistance for Host Administrations

The TIWB programme in Uganda was among the first South-South TIWB programmes when it was launched in 2017. Since that time, the local CO has played a significant role in ensuring the pursuance and delivery of TIWB objectives in Uganda. The CO previously funded the TIWB Expert's first mission in-country that provided hands-on training on transfer pricing to the Ugandan Revenue Authority's (URA) staff. The TIWB Expert continues to provide mission debriefs and advisory support to the CO in the area of transfer pricing.

The CO complements the TIWB programme work by supporting the URA to create awareness among stakeholders on transfer pricing and the gaps in Uganda's legal framework. Targeted stakeholders include political leaders and public officials in the Ministry of Finance, Planning and Economic Development; Parliament; and the URA, among others. Future engagements will also be held with URA and TIWB to find solutions regarding staff retention in URA's International Tax Unit. One of the options to be explored might be the use of Graduate UN Volunteers. These activities are included in the 2019 Annual Work plan for Institutional Effectiveness Programme, as fully signed by the CO and Government of Uganda.

The CO also plays a more direct role in the TIWB programme through the complementary capacity building in transfer pricing provided for staff of the URA. The CO has allocated funds for a minimum of two URA officials to attend trainings/events relative to their work on transfer pricing. Additional support is envisaged through a mission by the URA team to South Africa to work with the South African Revenue Services in collection of MNE information.

The Resident Representative at UNDP Uganda notes: "Domestic Resource Mobilisation is a key driver for the delivery of Vision 2040 and the Sustainable Development Goals in Uganda. The partnership of TIWB, ATAF, UNDP and URA will have a big contribution to increasing local resources through capacity building for staff of the URA in transfer pricing. In two to three years' time, the local financing landscape will change when URA has full capacity to audit all MNEs and this will be greatly attributed to the technical support from TIWB."

Source: UNDP Uganda

In 2018/19, a special focus was placed on involving COs to support TIWB programmes on the ground. They help to raise awareness and build demand for TIWB programmes with key decision-makers at national level. COs in Cabo Verde, Mozambique and Sierra Leone have provided an important link with the tax administrations in setting up TIWB programmes.

A local CO may also play a role in diffusing knowledge of tax issues to the wider local population. An excellent example of this is in association with local universities, where a TIWB Expert can present current taxation developments and challenges in-country. UNDP Jamaica helped the TIWB Expert there give a lecture on new developments in the digital economy in relation to taxation at the University of the West Indies.

COs have a role to play in strengthening regional co-operation between Host Administrations through facilitation of peer-to-peer learning at regional workshops and by fostering policy dialogue on international tax issues at the international, regional, and national levels.

Involvement of COs adds value to the TIWB initiative and ensures that TIWB programmes are embedded in country-owned and country-led development strategies. This supports long-term, meaningful results for developing countries.

5.4 Improving TIWB Implementation Processes

Previous feedback to the Secretariat indicated that the two-part process for requesting TIWB assistance online was burdensome for some Host Administrations. This was creating lags in new programme initiation. The Secretariat, attentive to developing countries' needs, streamlined the assistance request process to a single, online form in February 2019.

To expand the evaluation of TIWB programmes, online progress reviews and programme evaluations were implemented in 2018. The progress reviews are filled in separately by the TIWB Expert and Host Administration every three missions, with the programme evaluation being completed following the final mission. These forms allow the Secretariat to constantly monitor and adjust implementation as needed throughout the duration of the programme.



Chapter 6

Draft Work Plan

2019/20

TIWB has ambitious objectives for the period 2016 to 2020 to promote more effective international co-operation on audits with the desire to see enhanced domestic resource mobilisation for developing countries and a more predictable investment climate for taxpayers. The initiative has a goal to facilitate the successful attainment of 100 programmes over the period 2016-2020 (see full framework of objectives at Annex D).

To this end, in 2019/20, TIWB aims to launch at least 40 new programmes in co-operation with regional and international organisations.

Furthermore, the TIWB Secretariat plans to undertake the following activities in the coming year:

- Maintain existing TIWB programmes, sourcing and commencing new programmes towards the goal of 100 completed or ongoing programmes by mid-2020.
- Support implementation of at least four criminal tax investigation pilot programmes, as well as other emerging TIWB areas under consideration. A feasibility note will be produced on new TIWB opportunities in the field of taxation.
- Develop relationships with five new Partner Administrations willing to provide tax audit experts for TIWB programmes, with a particular focus on tax administrations from the Global South.
- Strengthen existing collaborations with regional/international organisations in support of TIWB programmes.

- Support at least two regional- and/or sector-based capacity building activities.
- Develop a comprehensive strategy on evaluation and measurement of all completed TIWB programmes in the short-, medium-, and long-term.
- Undertake a stocktaking exercise of TIWB operations.



Annex A

2018/19 Work Plan Achievements

Table A.1. 2018/19 Work Plan Achievements

Objective	Status
1. Support the establishment of 30 new deployments, or aggregate of 65 deployments per the Objectives 2016-2019 (Annex D), in co-operation with regional and international organisations, including establishing at least five new South-South programmes.	In 2018/19, the Secretariat increased the number of ongoing and completed programmes to a total of 59, including 4 new South-South programmes in Cameroon, Colombia, Eswatini and Zambia. While just shy of the target to be at 65 programmes by April 2019, the initiative has shown significant growth. New (Global South) programmes were launched in Armenia, Burkina Faso, Chad, Colombia, Costa Rica, Côte d'Ivoire, Ethiopia, Kosovo, Maldives, Nigeria, Pakistan, Papua New Guinea, Ukraine and Zambia.
2. Organise two side events at major international fora to promote TIWB and the sharing of expertise among South-South countries.	The Secretariat successfully organised participation at the Paris Peace Forum in November 2018 and a side event was held at the ICEA conference in Senegal in January 2019.
3. Expand geographical reach of TIWB by developing regional collaboration/ co-operation agreements in Asia, Latin America and Pacific regions.	Engaged new Partner Administrations including Canada, India, Mexico, Morocco, the Slovak Republic and the United States.
4. Organise a workshop for experts who have undertaken TIWB audit work to share and incorporate lessons learned into the development of the initiative.	A TIWB Experts' Roundtable and Stakeholders' Workshop was held on 18 February 2019 in Paris, France.
5. Monitor and assess results and outcomes from the ongoing TIWB programmes based on short-, medium- and long-term programme impact indicators.	Results and improved monitoring are reported on in Section 3.2.

Table A.1. 2018/19 Work Plan Achievements (Cont.)

Objective	Status
6. Expand and review the UNDP Roster of Experts, and create a new pool of industry experts in line with demand.	UNDP Roster of Experts was expanded from 40 to 52 experts. TIWB has also increased the supply of experts through engagement with different partner organisations.
7. Publish and disseminate two newsletters incorporating case studies of TIWB programmes.	The Secretariat published and disseminated two newsletters in April and December 2018.
8. Complete a pilot programme on tax crime with a view to exploring future possibilities of inclusion under the TIWB framework.	In 2018, the Secretariat developed a comprehensive concept note to guide the pilot programmes on tax crime (see Chapter 2).
9. Explore opportunities to host a technical workshop in the Caribbean bringing together small island developing states to help identify BEPS risks in the region.	Initial plans to host a Caribbean TIWB event were incorporated into a wider OECD/WBG joint tourism project slated to run from mid-2019 to 2021. Under this project, a workshop is scheduled for 2020 and will provide opportunities for countries to highlight their specific needs for audit assistance
10. Host of a major international conference examining the lessons learned and future of TIWB.	This objective was postponed to 2020.

Source: TIWB Secretariat



Annex B

Breakdown of TIWB Programmes

Table B.1. Current TIWB Programmes

Host Administration Country or Jurisdiction	Host Administration	Programme No.	Expert(s)	Commenced in	Missions to date	Total weeks in country
Armenia (1)*	State Revenue Committee	F2018-0020	Serving tax official	2019	1	0.5
Botswana (5)	Botswana Unified Revenue Service	F2017-0014	Former tax official	2017	7	4
Burkina Faso	<i>Direction Générale des Impôts</i>	F2018-0015	Roster expert	2018	2	2
Cameroon (2)	<i>Direction Générale des Impôts</i>	F2018-0012	Serving tax official	2019	1	1
Chad	<i>Direction Générale des Impôts</i>	F2018-0010	Serving tax official	2019	1	1
Colombia (2)	<i>Dirección de Impuestos y Aduanas Nacionales de Colombia</i>	F2018-0001	Serving tax official	2018	2	1.5
Colombia (3)	<i>Dirección de Impuestos y Aduanas Nacionales de Colombia</i>	F2018-0002	Former tax official	2018	1	0.5
Republic of the Congo	<i>Direction Générale des Impôts et des Domaines</i>	F2016-0012	Serving tax official	2017	5	4.5
Costa Rica (2)	<i>Dirección General de Tributación</i>	F2018-0011	Serving tax officials	2018	2	2
Côte d'Ivoire	<i>Direction Générale des Impôts</i>	F2017-0005	Serving tax official	2018	3	3
Egypt (1)	Egyptian Tax Authority	F2016-0011	Serving tax official and Egyptian tax expert	2017	7	7
Eswatini (1)	Eswatini Revenue Authority	F2017-0004	Serving tax official	2018	1	1
Ethiopia (1)	Ethiopian Revenues and Customs Authority	F2016-0016	Serving tax officials	2015	9	10
Ethiopia (2)	Ethiopian Revenues and Customs Authority	IE2018-01	Industry expert	2018	1	0.5
Georgia (2)	Georgia Revenue Service	F2017-0013	Roster expert	2018	4	4

Table B.1. Current TIWB Programmes (Cont.)

Host Administration Country or Jurisdiction	Host Administration	Programme No.	Expert(s)	Commenced in	Missions to date	Total weeks in country
Jamaica (1)	Tax Administration Jamaica	F2016-0004	Former tax official	2016	4	5
Jamaica (2)	Tax Administration Jamaica	F2016-0013	Serving tax official	2017	7	13.5
Kosovo	Tax Administration of Kosovo	F2017-0008	Roster expert	2018	3	4
Liberia (2)	Liberia Revenue Authority	F2017-0009	Serving tax officials	2017	3	3
Maldives	Maldives Inland Revenue Authority	F2018-0004	Serving tax official	2018	2	2
Nigeria (2)	Federal Inland Revenue Service Nigeria	F2017-0011	Roster expert	2018	1	1
Pakistan (1)	Federal Board of Revenue	F2018-0016	Serving tax officials	2018	2	2
Papua New Guinea (1)	Internal Revenue Commission	F2018-0014	Serving tax official	2019	1	1
Papua New Guinea (2)	Internal Revenue Commission	IE2018-02	Industry expert	2019	1	1.0
Rwanda	Rwanda Revenue Authority	F2016-0014	Serving tax officials	2017	3	2.5
Sri Lanka (2)	Inland Revenue Department	F2017-0003	Serving tax officials	2018	2	2
Uganda (1)	Uganda Revenue Authority	F2016-0010	Roster expert and former tax official	2017	10	19
Ukraine	State Fiscal Service of Ukraine	F2017-0012	Roster expert and language technical expert	2019	1	1
Zambia (2)	Zambia Revenue Authority	F2018-0009	Serving tax official	2018	3	3.5
Zambia (3)	Zambia Revenue Authority	IE2018-04	Industry expert	2018	1	0.5
Zambia (4)	Zambia Revenue Authority	F2019-0008	Former tax official	2019	1	0.5

Note: *Numbers in parentheses indicate a unique identifier for countries/jurisdictions where multiple TIWB programmes are in place.

Source: TIWB Secretariat

Table B.2. Current Anonymised TIWB Programmes

Host Administration Country	Host Administration	Programme No.	Expert	Commenced in	Missions to date	Total weeks in country
Cambodia	General Department of Taxation	L2016-0003	Former tax official	2016	1	1
Kenya (1)*	Kenya Revenue Authority	L2012-0002	Former tax official	2012	14	13
Nigeria (3)	Federal Inland Revenue Service	L2018-0001	Former tax official	2018	2	2
Peru (1)	<i>Superintendencia nacional de administración tributaria</i>	L2017-0001	Former tax official	2016	2	1.5
Sri Lanka (1)	Inland Revenue Department	L2016-0005	Former tax official	2016	5	4
Uganda (2)	Uganda Revenue Authority	L2016-0001	Former tax official	2016	4	4
Viet Nam (1)	General Department of Taxation, Ministry of Finance	L2016-0006	Former tax official	2015	4	3
Zambia (1)	Zambia Revenue Authority	L2015-0001	Former tax official	2016	3	2
Zimbabwe (1)	Zimbabwe Revenue Authority	L2015-0002	Former tax official	2016	4	4

Note: *Numbers in parentheses indicate a unique identifier for countries/jurisdictions where multiple TIWB programmes are in place.

Source: TIWB Secretariat

Table B.3. Current TIWB Criminal Investigation Pilot Programmes

Host Administration Country	Host Administration	Programme No.	Expert	Commenced in	Missions to date	Total weeks in country
Armenia (2)*	State Revenue Committee	TC2019-0002	Serving tax officials	2019	1	0.5
Colombia (5)	<i>Dirección de Impuestos y Aduanas Nacionales</i>	TC2019-0001	Former tax official	2019	1	1
Namibia**	Inland Revenue Department	TC2018-0001	Former tax official	2018	2	2

Note: *Numbers in parentheses indicate a unique identifier for countries/jurisdictions where multiple TIWB programmes are in place.

**Assistance was provided to the Namibian team at the OECD Africa Academy in Nairobi, Kenya during the first mission.

Source: TIWB Secretariat

Table B.4. Upcoming TIWB Programmes

Host Administration Country	Host Administration	Programme No.	Expert	To commence in
Barbados	Barbados Revenue Authority	F2018-0021	TBD	2019
Benin	<i>Direction générale des impôts</i>	F2017-0010	Serving tax official	2019
Botswana (4)*	Botswana Unified Revenue Service	F2018-0008	TBD	2019
Cabo Verde	<i>Direção das Contribuições e Impostos</i>	F2019-0002	TBD	2019
Central African Republic	<i>Direction générale des impôts et des domaines</i>	F2019-0009	TBD	2019
Colombia (4)	<i>Dirección de Impuestos y Aduanas Nacionales</i>	IE2018-03	Industry expert	2019
Dominican Republic	<i>Dirección General de Impuestos Internos</i>	F2018-0017	TBD	2019
Egypt (2)	Egyptian Ministry of Finance	F2019-0003	TBD	2019
Egypt (3)	Egyptian Ministry of Finance	F2019-0004	TBD	2019
Eswatini (2)	Eswatini Revenue Authority	F2018-0027	TBD	2019
Gabon	<i>Direction Générale des Impôts</i>	F2018-0013	TBD	2019
Ghana (2)	Ghana Revenue Authority	F2019-0005	Serving tax officials	2019
Ghana (3)	Ghana Revenue Authority	F2019-0006	TBD	2019
Honduras (1)	<i>Servicio de Administracion de Rentas</i>	F2019-0007	TBD	2019
Honduras (2)	<i>Servicio de Administracion de Rentas</i>	TC2019-0005	Former tax official	2019
Kenya (2)	Kenya Revenue Authority	TC2019-0004	TBD	2019
Malawi (2)	Malawi Revenue Authority	F2018-0007	TBD	2019
Mali	<i>Direction générale des impôts</i>	F2019-0011	TBD	2019
Mauritius	Mauritius Revenue Authority	F2018-0003	TBD	2019
Mongolia	General Department of Taxation	F2019-0001	Former tax official	2019
Mozambique	<i>Autoridade Tributária de Moçambique</i>	F2018-0019	TBD	2019
Pakistan (2)	Federal Board of Revenue	TC2018-0002	Serving tax official	2019
Peru (2)	<i>Superintendencia nacional de administración tributaria</i>	F2017-0006	TBD	2019
Senegal (3)	<i>Direction Générale des Impôts et des Domaines</i>	F2019-0010	TBD	2019
Sierra Leone	National Revenue Authority	F2018-0023	Serving tax official	2019
Thailand	The Revenue Department of Thailand	F2018-0024	TBD	2019
Uganda (3)	Uganda Revenue Authority	TC2019-0003	Serving tax official	2019
Viet Nam (2)	General Department of Taxation, Ministry of Finance	F2017-0007	Serving tax officials	2019
Zimbabwe (2)	Zimbabwe Revenue Authority	F2017-0001	TBD	2019

Note: *Numbers in parentheses indicate a unique identifier for countries/jurisdictions where multiple TIWB programmes are in place.

Source: TIWB Secretariat

Table B.5. Upcoming TIWB Criminal Investigation Pilot Programmes

Host Administration Country	Host Administration	Programme No.	Expert	To commence in
Honduras (2)*	<i>Servicio de Administracion de Rentas</i>	TC2019-0005	Former tax official	2019
Kenya (2)	Kenya Revenue Authority	TC2019-0004	TBD	2019
Pakistan (2)	Federal Board of Revenue	TC2018-0002	Serving tax official	2019

Note: *Numbers in parentheses indicate a unique identifier for countries/jurisdictions where multiple TIWB programmes are in place.

Source: TIWB Secretariat

Table B.6. Completed TIWB Programmes

Host Administration Country	Host Administration	Programme No.	Expert	Term	Missions completed	Total weeks in country
Albania	Albanian Tax Directorate	F2015-0001	Serving tax officials	2015	1	52
Botswana (1)*	Botswana Unified Revenue Service	L2015-0003	Former tax official	2015 – 2017	4	4
Botswana (2)	Botswana Unified Revenue Service	F2016-0006	Serving tax officials	2016 – 2018	5	5
Botswana (3)	Botswana Unified Revenue Service	IE2017-01	Industry expert	2017	1	0.5
Cameroon (1)	<i>Direction Générale des Impôts</i>	F2017-0002	Serving tax officials	2017 – 2019	7	6
Colombia (1)	<i>Dirección de Impuestos y Aduanas Nacionales</i>	L2012-0001	Former tax official	2012 – 2014	9	8
Costa Rica (1)	<i>Dirección General de Tributación</i>	F2016-0005	Serving tax officials	2016 – 2017	5	4
Georgia (1)	Georgia Revenue Service	F2016-0008	Roster expert	2016 – 2017	3	3
Ghana (1)	Ghana Revenue Authority	F2014-0001	Serving tax officials	2013 – 2018	9	8.5
Lesotho	Lesotho Revenue Authority	F2015-0003	Serving tax officials	2015 – 2019	11	12
Liberia (1)	Liberia Revenue Authority	F2016-0002	Roster expert	2016 – 2018	10	10.5
Liberia (3)	Liberia Revenue Authority	IE2016-01	Former tax official	2016 – 2018	7	7.5
Malawi (1)	Malawi Revenue Authority	L2016-0002	Serving tax officials	2016 – 2017	5	5
Nigeria (1)	Federal Inland Revenue Service	F2016-0003	Roster expert	2016 – 2018	6	7
Senegal (1)	<i>Direction Générale des Impôts et des Domaines</i>	F2015-0002	Serving tax officials	2014 – 2015	6	6
Senegal (2)	<i>Direction Générale des Impôts et des Domaines</i>	F2016-0007	Serving tax officials	2017 – 2018	5	5

Note: *Numbers in parentheses indicate a unique identifier for countries/jurisdictions where multiple TIWB programmes are in place.

Source: TIWB Secretariat

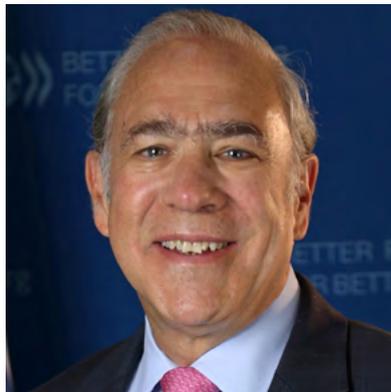


Annex C

Governing Board

TIWB Governing Board members include:

Angel Gurría (Co-Chair)
(Secretary-General of the OECD, Co-Chair)



Achim Steiner (Co-Chair)
(Administrator of UNDP, Co-Chair)





John Christensen
(Chair of the Board of Tax Justice Network)



Sigrid Kaag
(Minister for Foreign Trade and Development
in the Netherlands)



Sir Paul Collier
(Professor, Oxford University)



Ngozi Okonjo-Iweala
(former Finance Minister of Nigeria)



Bob Hamilton
(Commissioner of the Canada Revenue Agency)



Annex D

TIWB 2016-2019 Objectives

Table D.1. TIWB 2016-2019 Objectives

Objectives	Draft Indicators	Inputs/Activities
<p>Impact:</p> <p>a) Enhanced domestic resource mobilisation for developing countries</p> <p>b) A more certain and predictable investment climate for taxpayers.</p>	<p>Post-programme surveys covering (on a case-by-case basis):</p> <p>a) e.g. proposed transfer pricing adjustments, imposed and agreed tax assessments;</p> <p>b) reduction in back log of disputed tax assessments as well as positive business surveys; and</p> <p>c) revenues are increased.</p>	
<p>Outcome:</p> <p>Developing countries have the capacity to audit taxpayers fairly and effectively</p>	<p>Tax administrations and Ministries of Finance report that capacity is strengthened (e.g. through various tax administration Diagnostic Assessment Tool indicators).</p>	
<p>Output 1:</p> <p>TIWB facilitates the successful completion of 100 risk assessments/audits with developing countries in the period 2016-20.</p>	<p>Each programme will have dedicated indicators drawn from the list of short, medium and/or long-term indicators (see Table 3.1)</p>	<ul style="list-style-type: none"> - Established a list of qualified tax audit experts available for TIWB deployments; - Created a list of interested host countries, based on UNDP's outreach to COs; - Updated TIWB website, TIWB Toolkit and promotion materials available; - Sufficient resources are available to finance deployments as well as the Secretariat/Board and CO involvement; and - Full range assistance to realise: <ul style="list-style-type: none"> 15 deployments in 2016 20 deployments in 2017 30 deployments in 2018 35 deployments in 2019

Table D.1. TIWB 2016-2019 Objectives (Cont.)

Objectives	Draft Indicators	Inputs/Activities
<p>Output 2:</p> <p>TIWB transfers skills and competencies on audit risk assessment, audit casework and finalisation of tax assessments to developing country tax officials.</p>	<p>Audit completion reports from experts, OECD/UNDP and tax administrations.</p> <p>Host Administrations report on concrete results of the deployments.</p>	<p>Expert deployments are realised that facilitate skills and competence transfer.</p>
<p>Output 3:</p> <p>TIWB prepares analytical work and develops knowledge to promote more effective international co-operation on audits.</p>	<p>Research and analytical papers on lessons learned from TIWB programmes and the wider implications of such initiatives for international policy discussions on tax co-operation.</p>	<p>TIWB programmes are well-documented and the results disseminated via reports and other mediums.</p> <p>Research and analytical work based on findings from deployment programmes are carried out and published.</p>

Note: The 2019 deployments will be fully accounted for in 2020, the final year of the 100 deployments cycle.

Source: This framework is reproduced from the *Progress Report and 2016 Work Plan*, approved by the Governing Board on 16 April 2016.

Tax Inspectors Without Borders Annual Report 2018/19

This report from the Secretariat covers Tax Inspectors Without Borders (TIWB) activity from May 2018 to April 2019 — TIWB's third full year of operations under the OECD/UNDP partnership arrangements. Chapter 1 situates TIWB in the fast-moving tax and development landscape. Chapter 2 provides details on TIWB targets, trends and achievements, including key events and activities undertaken in the year. Chapter 3 provides details of results achieved and measurement of outcomes. Chapter 4 highlights lessons learned, including challenges and strategies going forward. Chapter 5 highlights key organisational developments and Chapter 6 provides the draft work plan for the coming year.

