

TAX INSPECTORS WITHOUT BORDERS

A learning by doing approach
to tax audit assistance

An OECD/UNDP joint initiative



*Empowered lives.
Resilient nations.*

What is Tax Inspectors Without Borders?

“Tax Inspectors Without Borders” (TIWB) facilitates targeted, tax audit assistance programmes in assistance-requesting countries worldwide.

Under TIWB, tax audit experts work directly with local officials in Host (tax) Administrations on current audits and audit-related issues, sharing general audit practices for specific cases.

How is Tax Inspectors Without Borders different from other forms of tax assistance?

TIWB Programmes use a “learning by doing” approach to solve complex audit cases. By offering audit support on live cases, TIWB Experts transfer knowledge and skills to auditors in Host Administrations. The TIWB Programme Terms of Reference provides a framework to govern potential issues such as confidentiality, conflict of interest and indemnity.

Examples of outcome and results of TIWB(-style) audit assistance:

Country A:

- Transfer pricing-audit assistance using an anonymised audit file.
- 1000% increase in tax revenue (from USD 3.3 million in 2011 to USD 33.2 million in 2014) at a programme cost of USD 50,000.

Country B:

- Increased in tax revenue of USD 18.6 million, arising from audit adjustments on two companies audited with TIWB assistance.

What assistance is available to tax administrations?

TIWB assistance can cover direct and indirect tax audit issues. This may include pre-audit risk assessment and case selection, audit investigatory techniques, audit cases involving transfer pricing issues, anti-avoidance rules, or sector-specific issues, relating to e-commerce, natural resources, financial services, telecommunications, etc.

TIWB Programmes generally involve periodic assistance and there is no minimum or maximum period. Each TIWB Programme is likely to be composed of several one or two week-long missions over a span of one or multiple months.

How to participate in a TIWB Programme

Tax administrations and experts interested in participating in a TIWB programme may register online at www.tiwb.org. Experts must have a minimum of 5 years' experience in an audit or audit-related role in a tax administration and suitably qualified experts are then included in the TIWB Roster of Experts.

The Host Administration is the lead partner in a TIWB programme. In that capacity, they are responsible for working alongside the TIWB Secretariat to ensure that the requirements for a TIWB Programme are met, including the legal framework, appropriate funding and practical arrangements.

The TIWB Secretariat matches the demands for auditing assistance from Host Administrations with appropriate expertise, facilitating the establishment of a TIWB programme. Experts work with the Host Administration under a TIWB Programme Terms of Reference agreement, covering all the elements (legal and practical) required for an effective TIWB programme.

Recently retired officials will generally participate in TIWB on a voluntary basis, with only their costs of participating (e.g. travel and daily expenses) covered. Currently serving officials will commonly participate under a secondment arrangement, or as provided for by their tax administration regulations.

Experience proves that TIWB audit assistance works to generate:

- Improved quality and consistency of tax audits;
- Sustained improvements in tax audit skills;
- Potential increases in revenue collected; and
- Rise in level of voluntary compliance by taxpayers.