

# TAX INSPECTORS WITHOUT BORDERS

## Taxation and environment programmes

Taxation and environment programmes are **one of the types of assistance provided under the Tax Inspectors Without Borders (TIWB) initiative**. Launched in 2015, TIWB is a joint initiative of the Organisation for Economic Co-operation and Development (OECD) and the United Nations Development Programme (UNDP) designed to support developing countries in their capacity building efforts for augmenting domestic resources and implementing a fairer tax system. It is a unique approach that embeds international experts in a host administration to provide practical, hands-on assistance to developing countries on actual tax audits.

The initiative underpins the OECD/G20 Base Erosion and Profit Shifting (BEPS) actions as part of a broad international effort to strengthen developing countries' ability to effectively tax multinational enterprises. TIWB contributes to the United Nations' *Financing for Development* agenda and supports progress towards the **Sustainable Development Goals** aimed at strengthening domestic resource mobilisation.

Interested host administrations can request TIWB assistance by completing an online **Assistance Request Form on the TIWB Portal**.

### TIWB pilot programmes on taxation and environment

A TIWB taxation and environment (TIWB-ENV) pilot programme focuses on audit work in environmentally sensitive areas and can support developing country tax administrations in the following ways:

#### *Focus on tax audits of multinational enterprises and entities operating in environment-related sectors*

- Multinational enterprises tend to structure their businesses in ways that make them hard to monitor which enables overexploitation in fishery and forestry sectors and is contributing to biodiversity losses. TIWB support can enhance enforcement of tax legislation affecting fishery, forestry, mining and extractives sectors, thus making it easier for developing countries to spot and prevent overexploitation of forests, fish stocks, and biodiversity.

#### *Focus on criminal tax investigations in environment-related sectors*

- There is a need for increased focus on illicit financial flows as they relate to environmental-related sectors. The TIWB initiative will support tax administrations in effectively auditing and investigating tax evasion cases of entities operating in the sectors that pose risks of environmental harm, such as forestry and fisheries. Criminal tax investigations will also support the efforts of governments in tackling illegal trade of endangered species.
- Fisheries and forestry crimes are often widespread in developing countries and organised in nature. Criminals engaging in these crimes may be involved in a range of fraudulent activities, including illegal overfishing and lumbering, corruption, money laundering and tax and customs fraud, among others.
- Essential to the expansion of the TIWB initiative in the area of taxation and environment will be the engagement with and involvement of different countries' customs authorities. The role of border controls in the application of international conventions and regulations aimed at controlling overexploitation of environmental resources and illegal trade, will require active participation by customs bodies.



## How does it work?

Host administrations request assistance for a TIWB-ENV pilot programme by completing an online Assistance Request Form that is submitted to the TIWB Secretariat. The Secretariat then sources an appropriately qualified expert from its network of partner administrations or the TIWB Roster of Experts.

TIWB experts are not a substitute for local staff, nor deployed to carry out work where no host administration personnel are involved. Support provided by TIWB experts is limited to coaching/advising local officials. TIWB, using its niche mechanism of embedding TIWB experts with government officials on real-life cases, will support governments by providing experts to support the administration of tax/customs laws most relevant for the environment.

A TIWB-ENV programme generally involves periodic on-site assistance, composed of several one or two-week missions over a span of **18 to 24 months**, supplemented by remote assistance, when required.

### ***Roster Experts taking on TIWB-ENV assignments are expected to have:***

- ✓ Education in taxation, public finance, law or other relevant fields
- ✓ At least seven years of substantial, proven experience in taxation and environmental issues, including experience with fisheries, extractives and mining, forestry and carbon taxes
- ✓ Experience in working on legislation and/or policy design related to taxation and environment
- ✓ Experience in drafting administrative and/or academic papers related to taxation and environment
- ✓ Proven experience in providing training to participants
- ✓ Experience of working in one or more of the following regions: Africa; Arab States; Asia Pacific; Eastern Europe & Commonwealth of Independent States; Latin America & the Caribbean

## Confidentiality

TIWB experts are directly involved in activities of the host administration while providing assistance on casework, which generally requires them to have access to confidential information relating to individual taxpayers. The confidentiality and conflict of interest aspects are addressed in a programme's terms of reference and will be managed, wherever possible, prior to, during and upon completion of each TIWB programme.

Options for dealing with confidentiality issues may include removing taxpayer-specific identifying information from case documents under examination or by signing a confidentiality agreement between the host administration and the TIWB expert.

## Funding

The TIWB Secretariat secures funding for all or part of the TIWB-ENV programme costs with the support of its network of partner administrations and/or donors. Programme funding can be further complemented by the OECD and UNDP. On the basis of impact from an initial round of programme implementation, subsequent programme cost-sharing should be considered.

For more information and to stay up to date on all of Tax Inspectors Without Borders' programmes: