



BRICS TAX HEADS MEETING 2023

***“BUILDING SMART MODERN
ADMINISTRATIONS”***

DAY 2 - BRICS HEADS OF TAX MEETING OKRS

Today, is a leadership conversation reflecting upon Building a SMART Modern Tax Authority with the objective of concluding:

1. Feedback on the 2023 work programme
2. Consolidate insights from Day 1
3. Identify areas of collaboration
4. Determine what choices we must make
5. Establishing a BRICS Tax Governance Framework to achieve a greater bias for action

***YESTERDAY, WE MET AS THE BRICS TAX
EXPERTS REFLECTING ON OUR
EXPERIENCES, APPROACHES AND
SUCCESSSES, IN PURSUIT OF BUILDING A
SMART MODERN TAX AUTHORITY...***

***TODAY, GLEANING FROM OUR SHARED
EXPERIENCES OF WHAT IT MEANS TO
BUILD A “SMART MODERN TAX
ADMINISTRATION”,
WE REFLECT AS LEADERS, ON THE
CHOICES WE MUST MAKE TO ADVANCE
THIS ASPIRATION...***

***OUR DISCUSSION TODAY, AS BRICS
HEADS OF TAX, IN THE CONTEXT OF OUR
CHALLENGES & OPPORTUNITIES
MUST GIVE DIRECTION ON CLEAR AREAS
FOR
COLLABORATION ...***

**WHAT LEADERSHIP CHOICES
DO WE MAKE?**

**HOW DO WE CREATE A BIAS
FOR GREATER EXECUTION?**

WHAT LEADERSHIP CHOICES DO WE MAKE?

1. Follow up actions from 2023 Work Programme (from feedback)
2. Collaboration
 - a. Additional areas for Collaboration
 - b. Who does what - Centres of Excellence
3. Governance Framework - Bias for Action

REFLECTING ON DAY 1

1. INSIGHTS

2. CHALLENGES

3. OPPORTUNITIES

4. AREAS OF COLLABORATION

**Develop a High Performing, Diverse, Agile,
Engaged and Evolved workforce
(STREAM 1: PEOPLE)**

PEOPLE: CHALLENGES

1. Ageing workforce and loss of institutional knowledge
2. Attracting and retaining employees
3. Recruitment and funding constraints
4. Balancing the new ways of working
5. Developing Tax Professional of the Future

PEOPLE: OPPORTUNITIES

1. Augmenting our human capabilities with:
 - a. Insights from data
 - b. Innovative technologies.
2. Continuous learning and development:
 - a. Career progression
 - b. Tax Professional of the Future
 - c. Professionalisation of Tax Administration
3. Embedding holistic Employee Offering or Employee Value Propositions (EVP)

PEOPLE: AREAS OF COLLABORATION

1. Training centers and development of course materials
2. Exchange programmes to accelerate learning and development amongst administrations in specific areas of focus
 - a. High wealth individuals
 - b. Illicit Tax and Trade - syndicated tax and customs crimes
 - c. Large and International Business
 - d. Small, mediums and Micro businesses

**Increase and expand the use of Data to
ensure integrity, drive insight and improve
outcomes**

(STREAM 2: DATA)

DATA: CHALLENGES

1. Integrated register
2. Analytics and AI:
 - a. Various stages of adoption
 - b. From rule based/ expert learning systems to deep learning neural networks
3. Whole of government approach:
 - a. Sourcing and use of data within government
 - b. However, the enactment of this has proven to be a challenge as government agencies often are not aware of what data tax administrations maintain.

DATA: OPPORTUNITIES

1. Expansion of data:
 - a. For the utilisation in pre-populating returns
 - b. Disintermediation the need of tax returns
2. Central and integrated repository:
 - a. To host data from various sources
 - b. Interfaces with the taxpayer profiling systems
3. Expanding the use of data:
 - a. Improve taxpayer experience
 - b. Automatic exchange of information
 - c. Curb refund fraud and impermissible deductions
 - d. Increase revenue collections and levels compliance
 - e. Beneficial in the area of VAT modernisation - e-invoicing

DATA: AREAS OF COLLABORATION

1. Methods to accelerate the use of existing data sets and have an integrated “data” view of the taxpayer
2. The use of data to segment taxpayers for ease of service and risks management was demonstrated as an area of possible future focus.
3. Reduce the burden on taxpayers by interfacing better with 3rd party service providers such as Banks/ Employers, etc
4. Improving the quality of the data submitted by 3rd party entities such as Employers and other Data sources

**Modernize our systems to provide
Digital and Streamlined online services
(STREAM 3: TECHNOLOGY)**

TECHNOLOGY: CHALLENGES

1. Single Digital ID
2. Single Taxpayer Account
3. Inefficient Taxpayer interactions
4. Taxpayer apathy to technology solutions and preference for human interaction
5. VAT Modernisation with a supply chain orientation.
6. Expanding data exchange protocols between BRICS Members

TECHNOLOGY: OPPORTUNITIES

1. Adoption of ecosystem approach
2. Taxpayer centric solutions:
 - a. Understanding the taxpayer perspective
 - b. Making tax compliance easy
 - c. Digital channels supporting market segmentation.
3. Interconnectedness into Taxpayer Natural Systems
4. Leveraging enabling technologies:
 - a. Processing and interacting with data (AI/ML)
 - b. Automating processes and procedures (Robotics)

TECHNOLOGY: AREAS OF COLLABORATION

1. Moving beyond simply developing “n” number of digital transactions, towards a systemic “always on” modernized ecosystem.
2. Deepen technical cooperation amongst BRICS Members:
 - a. Capacity building focused towards Modernisation and Technology development
 - b. Sharing best practices (Case Studies)

BRICS TAX AUTHORITIES FORUM GOVERNANCE FRAMEWORK

“Achieving continuity and a greater bias for execution...”



BRICS Tax Authorities Forum Governance Framework

PROPOSAL FOR CONSIDERATION BY THE BRICS HEADS OF TAX AUTHORITIES ON 9 NOVEMBER 2023 SESSION 3

BRICS HEADS OF TAX AUTHORITIES FORUM GOVERNANCE FRAMEWORK

PREAMBLE

The BRICS Heads of Tax Authorities:

ACKNOWLEDGING the role of taxation in providing BRICS governments with resources to build and sustain capable states, to foster sustainable economic growth and social development.

ACKNOWLEDGING further that tax cooperation amongst BRICS members is critical to progress on tax matters that includes the taxation of multinational enterprises, tax evasion and illicit financial flows.

ASPIRING to strengthen their capacity to participate constructively in and influence the outcomes of international debates.

RECOGNISING the value and importance of sustaining a systematic approach to their engagement with a view to identifying the most efficient means of generating consistent and optimum outcomes.

RECOGNISING further the need to set clear agendas to guide tax cooperation in respect of people, data and technology and formalise decision-making structures and procedures to drive implementation of such decisions in their respective states.

THE PROPOSED GOVERNANCE FRAMEWORK IS AN ADMINISTRATIVE AID FOR THE BRICS HEADS OF TAX AUTHORITIES

1. Secure gains of this forum irrespective of which individual is the Head of a Tax Authority or a tax in the future.
1. Secure the future direction and discipline required by the collective in the journey towards the Smart, Modern Tax Authority through leveraging People, Data and Technology.
1. How to best institutionalise the forum as the structure which enables securing the gains and setting the direction and discipline for sustained collective delivery.
1. The current proposed framework comprises three terms of reference:
 - a. BRICS Tax Authorities Forum (this main forum as we convene here today)
 - b. Women in Tax network (working group)
 - c. Young Tax Professional)working group)
1. The governance framework is dynamic and may over time evolve as the needs arises.

GUIDING PRINCIPLES

- 1.1 Collaborative work executed by the BRICS Heads of Tax Authorities Forum must be conducted with a strong bias towards execution.
- 1.2 Collaborative work conducted by the BRICS Heads of Tax Authorities Forum must be selected and executed in terms of the annual workplan.
- 1.3 Collaborative work executed by the BRICS Heads of Tax Authorities must be data driven.
- 1.4 Work must be executed in accordance with project management principles and best practices.
- 1.5 As far as practically possible, work groups executing work in terms of the workplan must be multi-disciplinary to garner the benefits of diversity of thought.
- 1.6 Provide a platform for continuity between the change of BRICS Chairmanships.

MANDATE

- 2.1 The mandate of the BRICS Heads of Tax Authorities Forum is:
- (a) To deepen technical cooperation amongst member states in tax administration.
 - (b) To advance the digital transformation of tax in member states.
 - (c) To advance the implementation of digital revenue authorities in member states.
 - (d) To harmonise and align approaches to tax amongst members where practical.
 - (e) To align tax thinking and the position of member states regarding tax to enable them to make constructive contributions to and influence outcomes in the international sphere.

THE ANNUAL WORK PLAN

3.1 Towards the beginning of the calendar year, the Secretariat of the country hosting the BRICS Summit must prepare the consolidated Annual Work Plan working collaboratively with the nodal points in the member states.

3.2 The Annual Work Plan comprises three core tax workstreams, namely:

(a) People

(incl. Women in Tax Network & Young Tax Professional Working Group)

(b) Data

(c) Technology

3.3. Each functional focus in a workstream will cascade into projects approved by the BRICS Heads of Tax Authorities Forum as part of the Annual Work Plan.

3.4. The insights produced in the workstreams will be disseminated through a case study publication and shared during a handover session with all participating countries.

SECRETARIAT FUNCTIONS FROM THE CURRENT TO THE NEW ROTATIONAL CHAIR

- 4.1 With a view to ensuring the smooth handover from the current to the new rotational Chair of the BRICS Heads of Tax Authorities Forum, the current Chair must in advance of the new calendar year:
- (a) Provide a handover report that addresses:
 - (i) Progress made in implementation of the Annual Work Plan including any activities that need to be taken forward.
 - (ii) Lessons learnt during the current Chairship.
 - (iii) Recommendations on how to improve implementation of and /or the Annual Work Plan.
 - (iv) The contact list of nodal points (existing practice).
 - (b) Schedule a meeting with the new rotational Chair to discuss the handover report.

REFLECTING ON DAY 2

1. AREAS OF COLLABORATION

**2. BRICS GOVERNANCE
FRAMEWORK**

STREAM 1 - PEOPLE: AREAS OF COLLABORATION

1. Training centers (China and Russia), exchange programmes and
2. development of course materials to accelerate learning and development amongst administrations in specific areas of focus:-
 - a. High wealth individuals
 - b. Large and International Business
 - c. Behavioural and leadership themes
 - d. Nb. Taking into consideration differences in domestic tax laws
2. Continue working groups: Women, Youth and Case Studies

STREAM 2 - DATA: AREAS OF COLLABORATION

1. Understanding data required its usefulness and accuracy
2. Methods to accelerate the use of existing data sets (B2B, B2C, B2G) and have an integrated “data” view of the taxpayer
3. The use of data to segment taxpayers for ease of service and risks management
4. Reduce the burden on taxpayers by interfacing better with 3rd party service providers such as Banks/ Employers, etc
5. Improving the quality of the data submitted by 3rd party entities such as Employers and other Data sources
6. Organising document flows for corporates
7. Leveraging: E-invoicing, greater use of Exchange of Information incl. CRS
8. Changing the language and artefacts to be more future oriented

STREAM 3 - TECHNOLOGY: AREAS OF COLLABORATION

1. Modernise towards an eco-system that meets the needs of all people
2. Deepen technical cooperation amongst BRICS Members:
 - a. Capacity building focused on Modernisation and Technology development, as well as use of big data analytics, AI, machine learning in tax authorities
 - b. Sharing best practices and initiatives (Case Studies)
 - c. Developing BRICS e-library knowledge sharing platform
3. Embedding tax systems into national systems
4. Advocacy for advancing the concept: Digital Tax Administration, Digital Economy and Digital Government

THANK YOU !



BRICS TAX AUTHORITIES FORUM GOVERNANCE FRAMEWORK

- 1.
- 2.