BLYCE. C2D

IRD as part of a data eco-system

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Tax Administration Performance Summit '25

- IRD wants to be Data-Driven
- Part of the Tax Admin 3.0 Vision
- Included in ITAS Implementations
- **Rarely Successful**

Objective of the Game:

- Reflect on trade-offs
- Assess realistically the requirements of interfaces

LET'S PLAY THE ECOSYSTEM NAVIGATOR!

- You are the tax administration decision-makers who must integrate their systems into a digital, seamless, and collaborative tax ecosystem.
- The goal is to make strategic choices that enhance compliance, improve taxpayer experience, and ensure interoperability with businesses, financial institutions, and government services—all key aspects of *OECD's Tax Administration 3.0*.
- However, different approaches come with trade-offs in compliance, efficiency, trust, cost, and timing.

- Split in 4 teams
- Assign to each a role

	Role	Focus Area	Key Concerns
1	**Compliance Officer**	📈 Compliance	Preventing fraud, ensuring proper tax payments, minimizing non-compliance.
2	**Efficiency Expert**	⚙️ Efficiency	Reducing administrative burdens, ensuring smooth workflows for taxpayers and businesses.
3	**Public Trust Advocate**	🤝 Trust	Transparency, fairness, and public confidence in the tax system.
4	**Integration Architect**	💰 Integration Cost	Evaluating costs, technical feasibility, and system adaptability.
5	**Implementation Manager**	⏳ Timing	Speed of deployment, minimizing disruptions, and quick wins vs. long-term solutions.

SCENARIO 1: DIGITAL IDENTITY FOR TAX SERVICES

Your tax administration wants to streamline authentication for taxpayers by integrating with digital identity systems.

Scenario 2: Registration Compliance Among Sole Proprietors

Many sole proprietors do not register for tax due to complexity, lack of awareness, or deliberate non-compliance. The tax authority wants to increase registration compliance through an integrated approach.

Scenario 3: Filing Compliance for HNWIs

High Net-worth Individuals often underreport capital gains, offshore earnings, or other investment income. The tax authority wants to increase accurate and timely filings by leveraging an integrated ecosystem.

Scenario 4: Filing Compliance for Small Businesses (VAT & Income Tax)

Many small businesses, particularly those dealing in cash transactions, misreport sales, file VAT late, or underreport taxable income. To combat this, the tax administration seeks digital solutions that integrate tax reporting into daily business operations.

Scenario 5: Real-Time Payroll Tax & Social Contributions

Your government aims to integrate payroll tax deductions and social security contributions into an automated payroll system. Employers would automatically remit taxes and contributions in real time via payroll software, reducing delays and errors.

Scenario 6: Cross-Border E-Commerce & VAT Compliance

With the rise of cross-border e-commerce, many foreign sellers fail to properly register and pay VAT. Your tax administration wants to ensure compliance for online marketplaces and international vendors selling to local consumers.

IMPLICATIONS/IMPACTS ON THE IRD

Register Corporations at the Ministry of Trade

- Means IRD outsources its registration to MoT
- A breakdown at MoT = No registration at IRD
- The level of Trust must be very high

  - How to make it happen?
    - MoU is a first step but only an intent of collaboration
    - Mobilise a joint team
    - Sign an SLA, committing budget & resources

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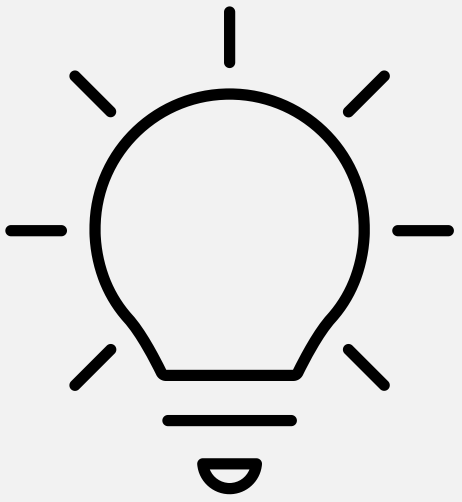
Exchange Data with Customs (ASYCUDA)

- Determine the scope:
  - Sync ASYCUDA registration with MTS data
  - Prepopulate MTS VAT return (portal)
  - USE ASYCUDA for audit, compliance/risk
- This is not 1 interface, but 3. Requires different:
  - Datasets, at difference frequencies, and different levels of complexities



WHAT ABOUT THE 3RD PARTY

- Do they need to modify their system? Processes? Add resources?
- Do they have the budget?
- Do they have a contract with their system provider to modify their system?
- Do they have the resources to conduct such a project?

NAVIGATING THE DATA ECOSYSTEM

- **Develop a Roadmap!**
  - Identify the universe of your 3rd parties
  - Structure a negotiation approach
  - Plan for the impacts (legislation, data cleansing, share a unique ID, etc.)
  - Segment taxpayers / tax types
  - Consider data governance and data quality management

- **Think Timeline!**
  - On average: 3 to 4 years!
  - Start now by engaging 3rd parties!

Thank You

For Your Attention