

Streamlining Tax Compliance

Wuzhen Action Plan (2019–2021) Final Report

Streamlining Tax Compliance Task Force



September 2021

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Abbreviations

BRI	Belt and Road Initiative
BRITACOF	Belt and Road Initiative Tax Administration Cooperation Forum
BRITACOM	Belt and Road Initiative Tax Administration Cooperation Mechanism
CIT	Corporate Income Tax
CRA	Canada Revenue Administration
DGT	Directorate General of Taxes
FTS	Federal Tax Service of Russia
GST	Goods and Service Tax
GDP	Gross Domestic Product
GDT	General Department of Taxation
IRS	Internal Revenue Service
NTS	National Tax Service
OECD	Organization for Economic Co-operation and Development
PIT	Personal Income Tax
PRC	People's Republic of China
STA	State Taxation Administration
USD	United States dollar
VAT	Value-added tax

Introduction

1.1 Background of this Final Report

The First Conference of the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOF) was held in Wuzhen, China on 18-20 April 2019, attended by heads and their representatives of tax administrations or finance departments from 85 jurisdictions, 16 international organizations, and a number of academic institutions and businesses. The Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) aims to facilitate tax administration cooperation and promote sharing of experience and jurisdiction example in tax administrations so that the BRITACOM contributes towards building a growth-friendly tax environment, focusing on the following five areas:

- Raising Tax Certainty and Rule of Law
- Expediting Tax Dispute Resolution
- Enhancing Tax Administration Capacity
- Streamlining Tax Compliance
- Digitalizing Tax Administration

A growth-friendly investment and business environment must be shored up by robust tax administration. In the Wuzhen Statement of the first BRITACOF, the BRITACOM members reiterate the essential role of the rule of law principle in underpinning the fairness and impartiality of tax administration and are determined to apply the laws and the tax treaties in a fair, predicable and

consistent fashion, and committed to support taxpayers to improve tax certainty by enhancing transparency and predictability of laws in order to build mutual trust between taxpayers and tax administrations, by providing guidance to taxpayers concerning the interpretation and application of the law, making use of advanced rulings and enchaining cooperation amongst BRITACOM members.

The Wuzhen Action Plan (2019-2021) (Action Plan) was announced during the BRITACOF as a roadmap for period up to 2021. To implement the Action Plan, and to chart the course of “Building a Growth-friendly Tax Environment”, as part of the compilation of the Final Report, the BRITACOM Secretariat has conducted a series of surveys among BRI jurisdictions, especially for BRITACOF participants to have an understanding of the current situation on tax administration and the priorities of the BRI jurisdictions in streamlining tax compliance.

In the Wuzhen Action Plan (2019-2021), there are three priority tasks stipulated on Streamlining Tax Compliance, which are stated, respectively, under item 13: “We will start examining the current requirements for taxpayers to provide tax-related information and documentation with the aim to reduce unnecessary information reporting and documentation requirements in the long run”, item 14: “We will endeavor to satisfy taxpayer requests for assistance including helping them understand their rights and obligations. Where any errors in the

administration of taxpayers' affairs are made, we will correct them as soon as possible." And Item 15: "We will protect the confidentiality of information obtained from taxpayers, establish procedures to mitigate potential privacy risks and share information with third parties only as permitted by law."

On December 21, 2020, Director Wang Jun held a virtual meeting with Sultan Katiyev, Chairman of the Kazakhstan Revenue Committee, on the preparations for the second forum, Nur-Sultan "Belt and Road Initiative" Tax College (hereinafter referred to as "Tax College") Construction and the "Wuzhen Action Plan (2019-2021)" working group (hereinafter referred to as the "working group") conducted in-depth discussions on related work. The two leaders agreed to hold the first session online or offline in July or September 2021, depending on the pandemic situation. In the second forum, the above-mentioned issues will be further discussed by the working level.

In order to implement the achievements of the virtual meeting, Director Meng Yuying held two virtual meetings with Director Yelmek on December 25, 2020 and February 25, 2021, focusing on the time and date of the second forum. In-depth exchange of opinions in the form of communication and communication on issues such as working groups and tax college. The two parties agreed to set the time and format of the second forum in late April 2021 to ensure the follow-up preparations and the smooth convening of the forum.

Under the influence of the COVID-19 pandemic, the BRITACOM Secretariat has held a series of virtual meetings for the jurisdictions to discuss the

tasks and interim report online during 2020. The three tasks had been implemented progressively in accordance with the WuZhen Action Plan (2019-2021). As a member of this group, China has issued the Opinions on Further Deepening the Reform of Tax Collection and Administration on March 24, 2020, which is the guideline to improve tax collection and management. This guideline aims to further advance accurate law enforcement, targeted service, precise supervision and sincere co-governance, which is expected to push the tax compliance streamlining to the next stage.

Meanwhile, the group has finished the interim report that focused on four aspects: the results of streamlining tax compliance survey among BRITACOM members; the importance of streamlining tax compliance; adoptable and recommended measures for streamlining tax compliance; And the best practices around the world.

This Final Report provides an overview of the current status with respect to streamlining tax compliance in the BRI jurisdictions via a series of surveys conducted anonymously, focuses on jurisdiction examples and key challenges in this regard and explores a set of concrete and practical approaches as a basis for discussion by the BRI tax administration to streamline tax compliance. We will continue to advance the tasks, monitor closely the progress of work on streamlining tax compliance as laid down in the WuZhen Action Plan (2019-2021), and analyze data in a timely fashion. The overall achievements will be addressed in this final report.

1.2 Importance of Streamlining Tax Compliance

The primary goal of tax administrations is to collect the right taxes at the right time in accordance with tax law and to ensure that non-compliance with the law is kept to a minimum. Modern tax administrations seek to optimize tax collections while minimizing administration costs and taxpayer compliance costs. The most cost-effective systems of collecting taxes are those that induce the vast majority of taxpayers to meet their tax obligations voluntarily, leaving tax officials to concentrate their efforts on those taxpayers who do not comply. Taxpayers are more likely to comply voluntarily when the tax administration adopts streamlined tax compliance procedures.¹

Tax administrations all over the world are facing new developments and challenges. In recent years,

the number of taxpayers and tax service agencies have been growing unprecedentedly, accordingly the volume of tax-related businesses increase sharply. All these developments and challenges will prompt tax administrations to consider how to better serve the needs of all taxpayers. At the same time, modern information technology provides ever more possibilities to streamline tax compliance than before. Tax administrations can now leverage on optimization of information technology and artificial intelligent technology, with user-centric as the core, design data supported functions to simplify processes and procedures, and provide more user friendly, intelligent tax services to enhance taxpayer experience, ultimately, this will improve tax compliance progressively.

1.3 Relationship between the interim report and the final report

1.3.1 More practices of the “Belt and Road” countries

The interim report described cases in developed countries in a more detailed and in-depth manner. The final report further enriches the practice cases of each country (region) in the report, especially the “Belt and Road” countries (regions), by expanding the sources of data collection, collecting and sorting out business environment reports, academic journals, various tax forums and other multi-channel data. In order to increase the coverage, the report will be adopted by more countries for reference, and the comprehensiveness and depth of the research will be enhanced.

1.3.2 More special measures during the COVID-19 pandemic

The COVID-19 pandemic has profoundly changed the production methods and lifestyles of countries around the world. The interim report introduced the measures taken by tax authorities in various countries, which include reduce tax rates, extend filing deadlines, and help companies in difficulties. On this basis, the final report focuses on streamlining tax compliance measures in various countries under the background of the normalization of the pandemic, enriching and updating the latest data, information, and cases, and extracting common measures with reference

¹ Tax Administration 2019(OECD), <https://www.oecd.org/tax/administration/33818656.pdf>

significance.

1.3.3 More effective suggestions and solutions

The main suggestions of the interim report are: designing training programs according to the needs of the “Belt and Road” countries, developing the online learning platform of the “Belt and Road” colleges, carrying out face-to-face training, building a teacher pool, and preparing a final report. While the final report adds suggestions and solutions such as: further expanding the scope of training, carrying out high-level official training; fully

mobilizing the enthusiasm of the members of the expert advisory committee to build an international teacher team; regularly carrying out online and offline seminars; combining the teaching content, jointly developing related knowledge products; and seeking international cooperation in streamlining tax compliance.

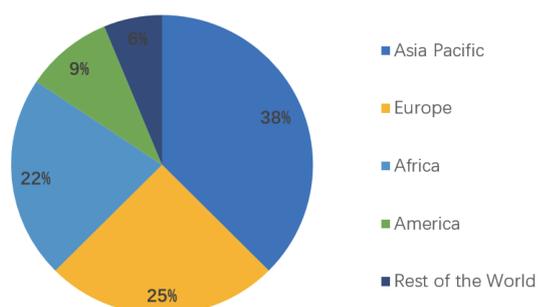
1.4 Design of the Survey

In order to gain a deeper understanding of current state of streamlining tax compliance in the BRI jurisdictions, the BRITACOM Secretariat has designed a survey and distributed to 85 BRITACOM stakeholders. The survey consists of 2 sections:

- General information, including geographic region, population, tax revenue and GDP etc.
- Topic information, specified in detail the issues relating to all task force.

1.4.1 Your Region

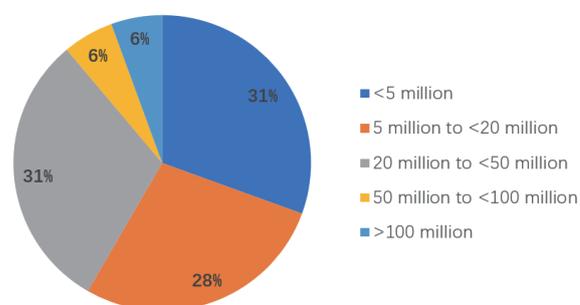
Figure 1:



In the survey, Asia Pacific refers to jurisdictions located in East Asia, Southeast Asia, North Asia, South Asia, Middle Asia, Australasia, Melanesia, Micronesia and Polynesia. Almost 40% of the survey participants are from Asia Pacific. Those from Europe and Africa accounts for 25% and 22% of the survey participants respectively.

1.4.2 Population of Your Jurisdiction

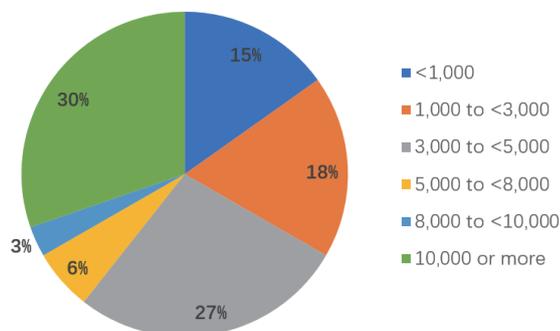
Figure 2:



In addition, one-third of the survey participants are from a jurisdiction with less than 5 million population. Approximately a quarter of them are

1.4.3 GDP per capita in USD in 2018

Figure 3:

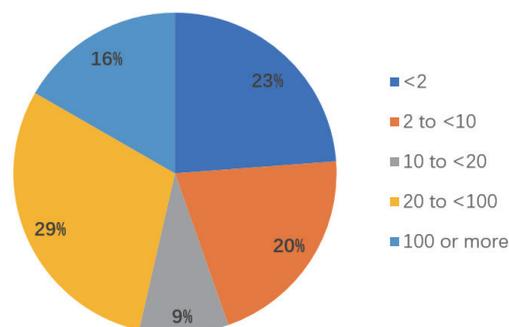


The survey outcome shows participants with per capita GDP of:

- Less than USD 1,000 (15%) - production factor-driven stage of development according to the Global Competitiveness Report 2017-2018 published by the World Economic Forum ²
- More than USD 1,000 but less than USD 3,000 in 2018 (18%) – production factor-driven / transitioning from production factor driven to efficiency driven development
- USD 3,000 to USD 5,000 (27%) – efficiency driven
- USD 5,000 to less than USD 8,000 (6%) – efficiency driven
- USD 8,000 to 10,000 (3%) – efficiency driven / transitioning from efficiency to innovation driven stage
- USD 10,000 or more – transitioning from efficiency to innovation driven / innovation driven stage (30%)

1.4.4 Aggregate Annual Tax Revenue in USD billion in 2018

Figure 4:



In terms of the aggregate annual tax revenue in 2018, the results are more evenly spread and aggregate annual revenue are:

- Less than USD 2 billion (23%)
- USD 2 billion to less than USD 10 billion (20%)
- USD 10 billion to less than USD 20 billion (9%)
- USD 20 billion to less than USD 100 billion (29%)
- USD 100 billion or more (16%)

² <http://www3.weforum.org/docs/GCR2017-2018/05FullReport/TheGlobalCompetitivenessReport2017-2018.pdf>

Questionnaires and Analysis

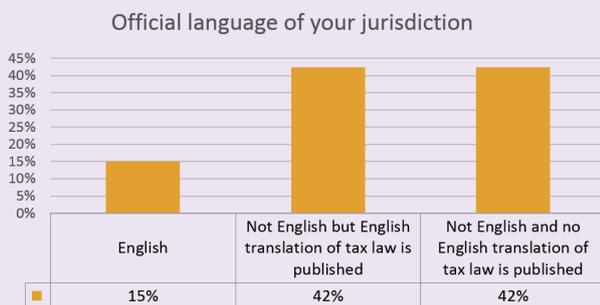
In order to further understand the specific situation of each member country and the details and details of the simplified tax compliance issues of each country, we designed a series of the questionnaires and distributed it to each member country, and analyzed the results of the questionnaires.

2.1 The phase one Survey Results

[Note: Some of the total % does not add up to 100% due to rounding.]

2.1.1 Official Language of Your Jurisdiction

Figure 5:



According to the survey results, 15% of the participating jurisdictions uses English as official language, 42% of the participating jurisdictions indicate that English is not their official language, but English translation of tax law is available for taxpayers.

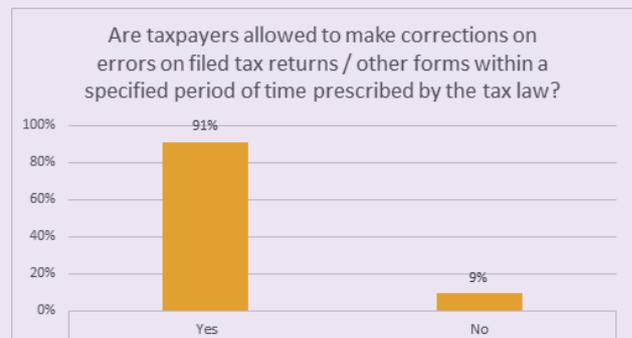
About 42% of the participating jurisdictions indicate that English is not their official language and no English translation is available.

To attract foreign investors, this 42% jurisdictions perhaps may consider providing translation of laws into English, this may help potential investors to understand the tax regimes, assist their feasibility

analysis which may result in a higher comfort level for investing in the jurisdiction.

2.1.2 Are taxpayers allowed to make corrections on errors on filed tax returns / other forms within a specified period of time prescribed by the tax law?

Figure 6:

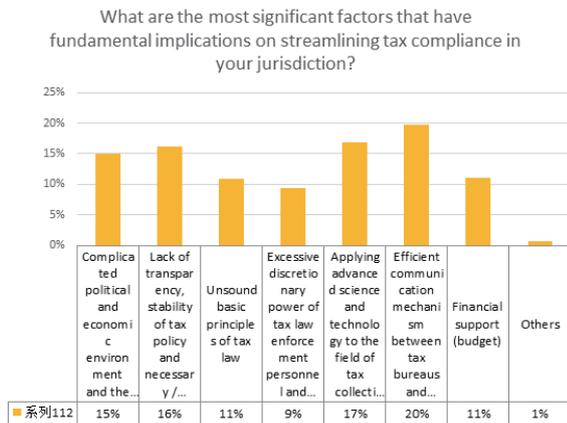


From the bar chart, we may see that within a large majority (91%) of the participating jurisdictions, taxpayers are allowed to make corrections on errors on filed tax returns within a specified period of time.

The 9% indicated “No” may consider a change to the rule to incorporate the mechanism to allow for correction of errors or omissions, to allow for chances to “make it right” as well as to promote co-operative tax compliance spirits.

2.1.3 What are the most significant factors that have fundamental implications on streamlining tax compliance in your jurisdiction?

Figure 7:



The five most significant factors that have fundamental implications on streamlining tax compliance are:

- “Efficient communication mechanism between tax bureaus and taxpayers” (20%) (positive)
- “Applying advanced science and technology to the field of tax collection and administration” (17%) (positive)
- “Lack of transparency, stability of tax policy and necessary / adequate legal remedies” (16%) (negative)
- “Complicated political and economic environment and the low level of business environment” (15%) (negative)
- “Unsound basic principles of tax law” and “Financial support (budget)” (11%) (negative)

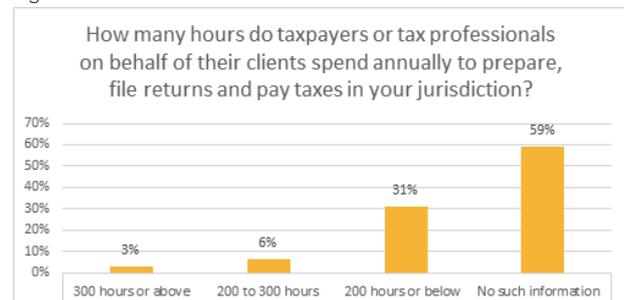
For the most part, financial support is the core to drive the application of technology, create platforms to facilitate more effective, efficient and real-time communications between the tax administrations

and taxpayer, as well as introduce systems of legal remedies.

Please refer to the Tax Certainty and Rule of Law report, which states that if the tax revenue is below 15% of GDP of a jurisdiction, there would not be adequate resource to finance essential services for the government. In such case, attracting more foreign direct investments maybe one of the considerations to improve the situation of generating sufficient fund.

2.1.4 How many hours do taxpayers or tax professionals on behalf of their clients spend annually to prepare, file returns and pay taxes in your jurisdiction?

Figure 8:



This question attempts to understand the man-hour needed for tax compliance (and accordingly the associated economic costs).

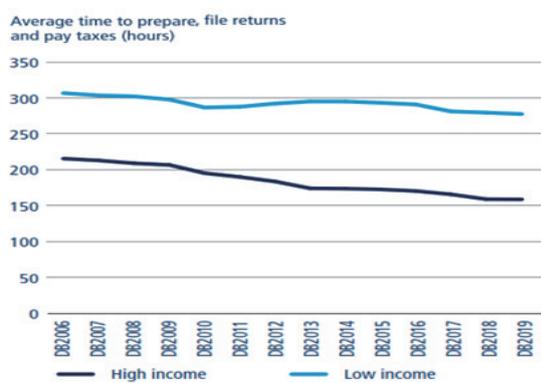
31% of the participating jurisdictions estimated that taxpayers spend no more than 200 hours (25 work days on an 8-hour day basis) to complete their tax filing every year.

59% of the participating tax administrations do not have the information on how long taxpayers spend on their tax filing every year. This maybe one area that the jurisdictions need to have a workable statistics that allows for understanding the extent of

compliance cost of these groups in the jurisdictions. Statistics should be established and reviewed periodically to strive for reducing taxpayers' compliance costs.

As a comparison, the following chart extracted from the Doing Business Report 2019³ by the World Bank is shown below.

Figure 9:

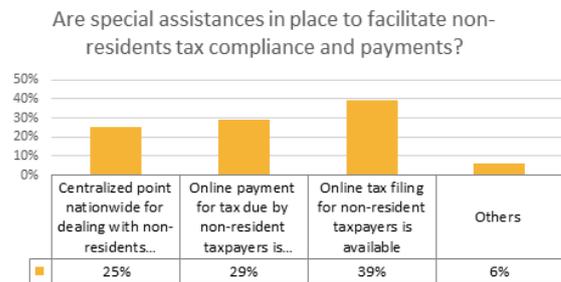


High-income economies generally spent less time than those with low-income. The report indicated that the global average time to prepare, file and pay taxes has fallen from 324 hours in 2005 to 237 hours in 2017.

The chart shows some correlation between the state of economic development and time spent on tax compliance that low income groups generally spend more time on tax compliance than high income groups.

2.1.5 Are special assistances in place to facilitate non-residents tax compliance and payments?

Figure 10:

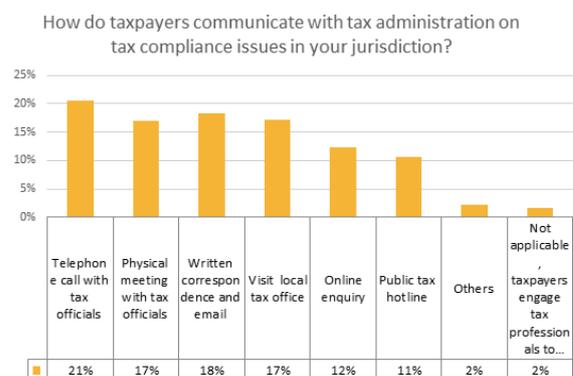


The outcome of the questionnaires show 75% of the respondent jurisdictions indicated that non-resident taxpayers are able to perform tax filing or pay tax online.

25% respondent jurisdictions offer centralized point nationwide to facilitate tax compliance for non-residents taxpayers.

2.1.6 How do taxpayers communicate with tax administration on tax compliance issues in your jurisdiction?

Figure 11:



The survey results showed that the most common ways that taxpayers communicate with tax administration on tax compliance are:

- “Telephone call” (21%),
- “Written correspondence and email” (18%),

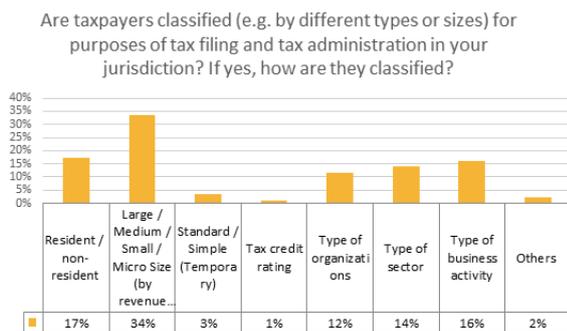
³ https://www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report_print-version.pdf

- “Physical meeting” (17%),
- “Visit local tax office” (17%),
- “Online enquiry” (12%).

With the above result, the continuation of discussions among the BRITACOM Task Force on Streamlining Tax Compliance may be needed to share their experience in the above channels for communications with the taxpayers, from the efficiency, cost considerations, risk management and record trial stand-points. For example, whether telephone calls should be limited to procedural matters, and not for complicated technical enquires, as it may be difficult to provide accurate answers and internal trial and quality controls for telephone calls.

2.1.7 Are taxpayers classified (e.g. by different types or sizes) for purposes of tax filing and tax administration in your jurisdiction? If yes, how are they classified?

Figure 12:



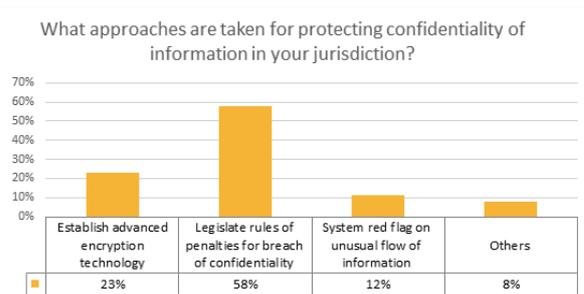
The most common ways are: by size (34%), resident and non-residents (17%), business categories (16%), and sectors (14%).

This is in-line with the general observation that most tax administrations would have special section for large or major taxpayers, non-resident taxpayers, and by special industry sectors, e.g. financial service,

extractive industries due to the specific knowledge requirements for these categories of taxpayers.

2.1.8 What approaches are taken for protecting confidentiality of information in your jurisdiction?

Figure 13:

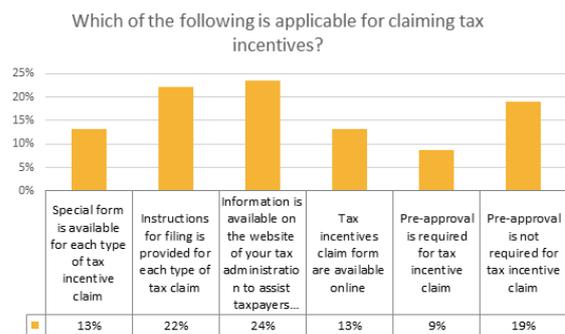


The survey shows 58% of the responses indicated that “Legislate rules of penalties for breach of confidentiality” are in place to protect taxpayer confidentiality. It is encouraging that 23% of tax administrations has established advanced encryption technology. 12% says that system will raise red flag for unusual flow of information.

It may be worthwhile for the BRITACOM Task Force on Streamlining Tax Compliance to reach out to jurisdictions sharing experience on encryption technology and system red-flags.

2.1.9 Which of the following is applicable for claiming tax incentives?

Figure 14:



The survey shows 24% of the responses indicated that “Information is available on the website of your tax administration to assist taxpayers...” is applicable for claiming tax incentives. 22% says that instructions for filing is provided for each type of tax claim. 19% says that pre-approval is not required for tax incentive claim.

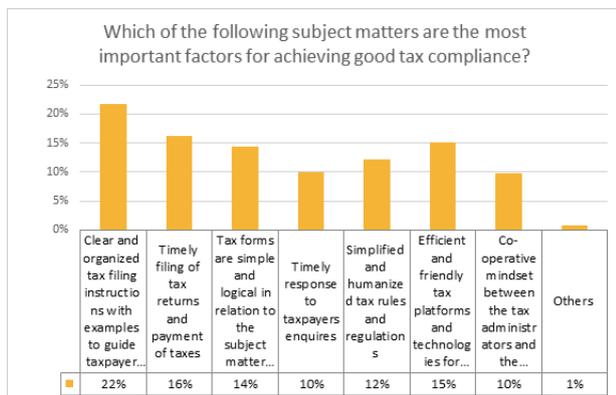
The information that needs the most for filling claim of tax incentive are:

- “Information is available on the website of your tax administration to assist taxpayers to understand what incentives” (24%),
- “Instructions for filing is provided for each type of tax” (22%),
- “Pre-approval is not required for tax incentive claim” (19%),
- “Tax incentives claim form are available online” (13%),
- “Special form is available for each type of tax incentive” (13%).

The above indicates that tax incentives are an important tax policy initiative and obtained adequate tax administrative attention.

2.1.10 Which of the following subject matters are the most important factors for achieving good tax compliance?

Figure 15:

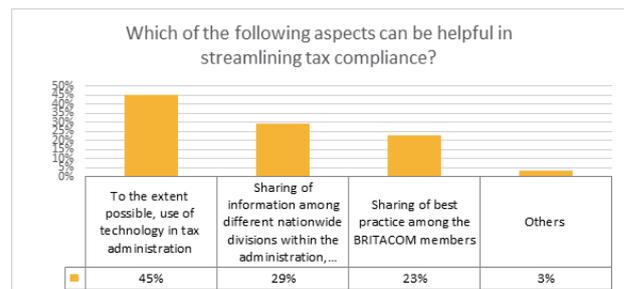


The top four important factors for achieving good tax compliance from tax administrations’ perspective are:

- “Clear and organized tax filing instructions with examples” (22%),
- “Timely filing of tax returns and payment of taxes” (16%),
- “Efficient and friendly tax platforms and technologies for both taxpayers and tax administrations” (15%),
- “Tax forms are simple and logical in relation to the subject matter of filing” (14%).

2.1.11 Which of the following aspects can be helpful in streamlining tax compliance?

Figure 16:

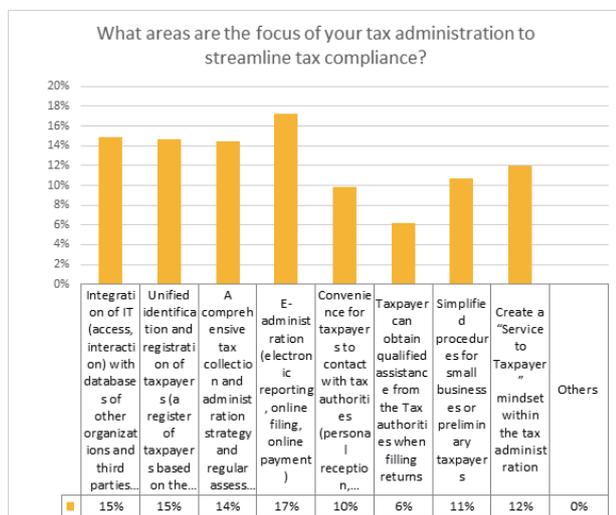


The top three responses are:

- “To the extent possible, use of technology in tax would be most helpful in streamlining tax compliance” (45%),
- “Sharing of information among different nationwide divisions within the administration, avoid asking duplicate information” (29%),
- “Sharing of best practice among the BRITACOM members” (23%) – point to follow-up by the BRITACOM Task Force.

2.1.12 What areas are the focus of your tax administration to streamline tax compliance?

Figure 17:



The response to the survey questionnaires show that tax administration mainly focuses on:

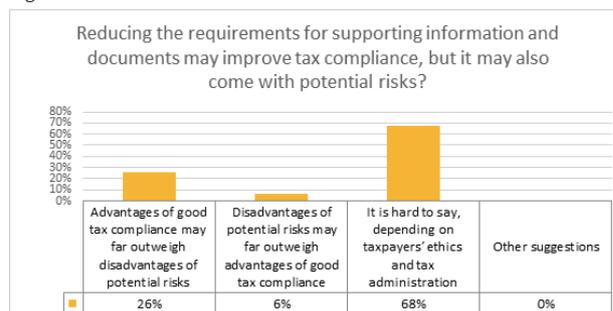
- “E-administration (electronic reporting, online filing, online payment)” (17%),
- “Integration of IT (access, interaction) with databases of other organizations and third parties (banks, insurance companies, etc.)” (15%),
- “Unified identification and registration of taxpayers (a register of taxpayers based on the unique tax ID of each registered taxpayer and for all types of taxes)” (15%),
- “A comprehensive tax collection and administration strategy and regular assessment of tax collection and administration system” (14%),
- “Create a Service to Taxpayer mindset within the tax administration” (12%).

E-tax administration and integration with IT has the overwhelming supports. Service to taxpayer ranked second, this is in-line with initiatives taken by some

jurisdictions to start service to taxpayer strategy, e.g. in the US.⁴

2.1.13 Reducing the requirements for supporting information and documents may improve tax compliance, but it may also come with potential risks?

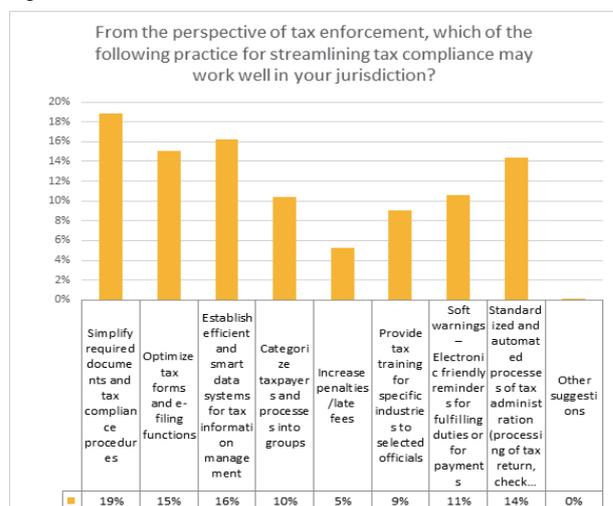
Figure 18:



Overwhelmingly, nearly 70% of the tax administrations believe it depends on taxpayers' ethics and that reducing documentation may improve tax compliance, hence it is skeptical whether reducing supporting information and documents can enhance tax compliance generally.

2.1.14 From the perspective of tax enforcement, which of the following practice for streamlining tax compliance may work well in your jurisdiction?

Figure 19:



4 Taxpayer Bill of Rights, Inland Revenue Services. <https://www.irs.gov/taxpayer-bill-of-rights>

The following top 4 initiatives are believed to be more effective in enhancing taxpayer compliance:

- “Simplify required documents and tax compliance procedures” (19%),
- “Establish efficient and smart data systems for tax

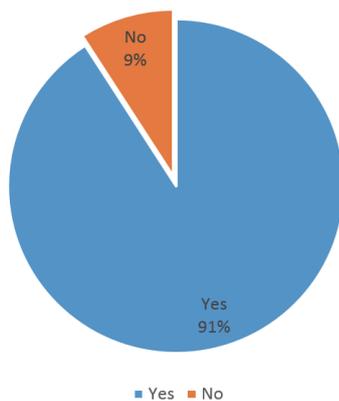
information management” (16%),

- “Optimize tax forms and e-filing functions” (15%),
- “Standardized and automated processes of tax administration” (14%).

2.2 The phase two Survey Results

2.2.1 Are there any professional consulting services available for taxpayers when filing tax returns in your jurisdiction?

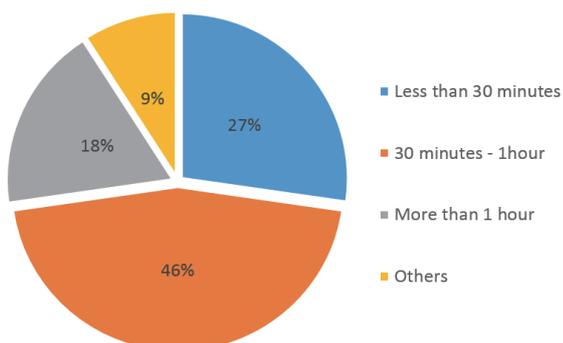
Figure 20:



According to the survey results, 91% of the participating jurisdictions provide professional consulting services for taxpayers when filing tax returns.

2.2.2 How long does it take for taxpayers to fill their tax returns each time in your jurisdiction?

Figure 21:

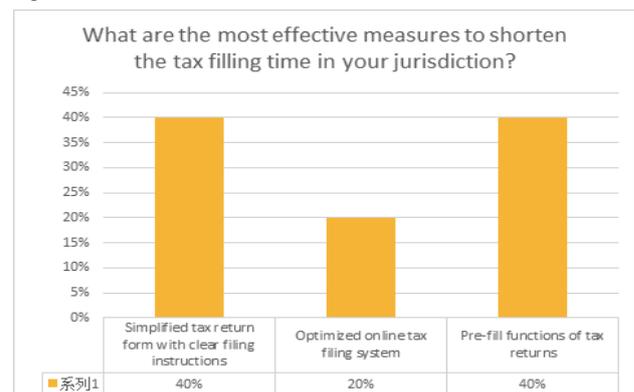


According to the questionnaire:

- The proportion of the jurisdictions indicate that tax returns filling in their countries takes less than 30 minutes are over 27%,
- Over 45% of the jurisdictions showed that the time mentioned above are from 30 minutes to an hour in their countries, which accounts for the biggest proportion,
- The jurisdictions’ filling time over an hour accounts for about 18%,
- About 9% of the jurisdictions point out that the filling time varies depending on the tax, pre-filled personal income tax can be completed in less than 30 minutes while corporate income tax will probably take more than an hour.

2.2.3 What are the most effective measures to shorten the tax filling time in your jurisdiction?

Figure 22:

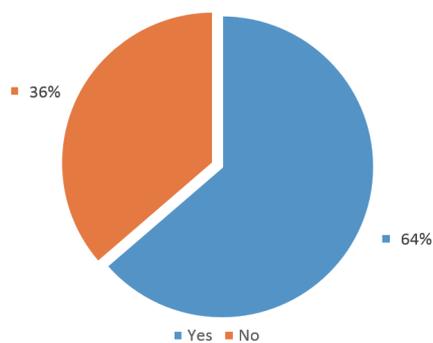


The top 3 considered the most effective measures are as follows

- Simplified tax return form with clear filing instructions (40%);
- Optimized online tax filing system (20%);
- Pre-fill functions of tax returns (40%).

2.2.4 Do professional tax service agencies play a vital role in your jurisdiction?

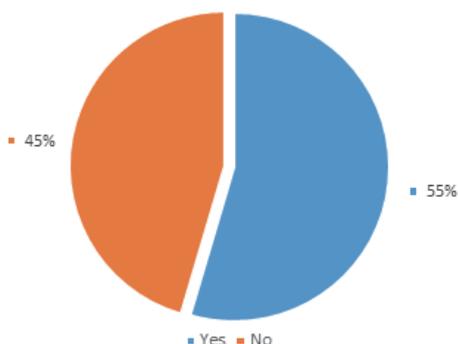
Figure 23:



According to the investigation, over 63% of the participants considered that the professional tax service agency plays a vital role in their jurisdictions.

2.2.5 Is there any difficulty in establishing an information-sharing mechanism between tax administrations and other departments in your jurisdiction?

Figure 24:

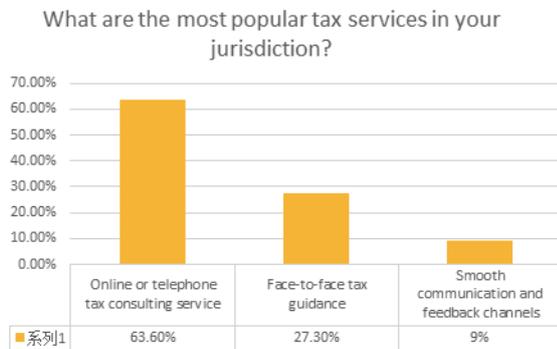


More than a half of the jurisdictions admit that there are some difficulties in establishing an information-sharing mechanism between tax administrations and other departments, such as:

- require approval from corresponding departments upon information sharing;
- Coordination among departments and differences in bureaucratic policies;
- Laws and regulations pertaining the secrecy of tax data and information as well as personal data protection laws;
- Sharing of information can be done based on hardware and software infrastructure and most information which is related to some ministries and governmental organizations are being sent to tax organization. Because of some legal restrictions, tax organization can not share the information with some other offices. Here it should be mentioned that some basic measures have been done to remove these problems;
- The other departments are using their own specific systems and now our administration is just planning to implement the Integrated Tax Administration System to connect their systems. So there are some difficulties to collect and share the information from the online system of other departments.

2.2.6 What are the most popular tax services in your jurisdiction?

Figure 25:

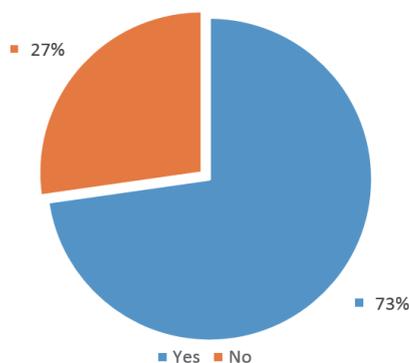


The top 3 responses that considered as the most popular are:

- Online or telephone tax consulting service (63.6%),
- Face-to-face tax guidance (27.3%),
- Smooth communication and feedback channels (9%).

2.2.7 Are there any regular tax policy training or guidance available for taxpayers in your jurisdiction?

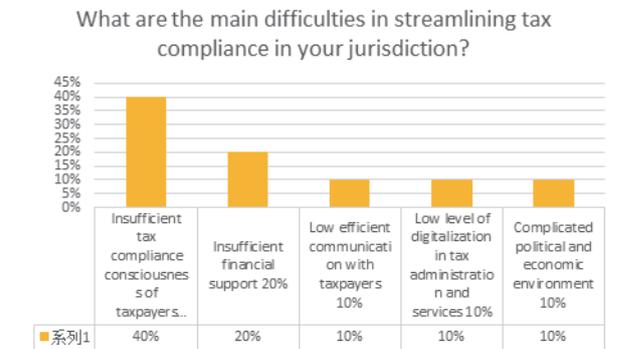
Figure 26:



According to the research, over 72% of the jurisdictions provide regular tax policy training or guidance for their taxpayers.

2.2.8 What are the main difficulties in streamlining tax compliance in your jurisdiction?

Figure 27:

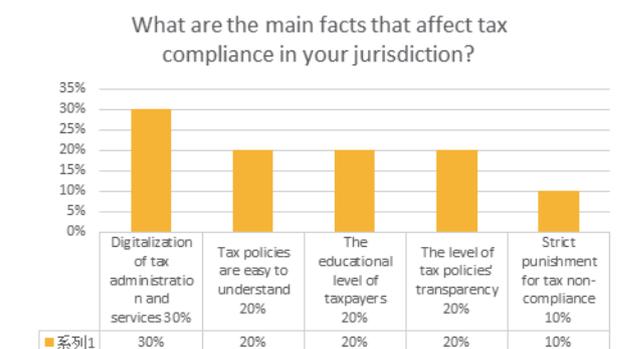


The top 5 considered as the main difficulties in streamlining tax compliance are:

- Insufficient tax compliance consciousness of taxpayers (40%),
- Insufficient financial support (20%),
- Low efficient communication with taxpayers (10%),
- Low level of digitalization in tax administration and services (10%),
- Complicated political and economic environment (10%).

2.2.9 What are the main facts that affect tax compliance in your jurisdiction?

Figure 28:

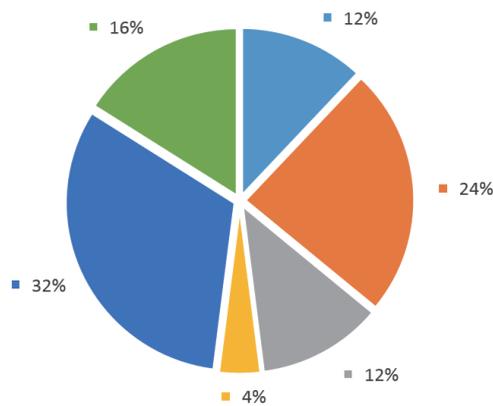


The top 5 considered as the main facts that affect tax compliance are:

- Digitalization of tax administration and services (30%),
- Tax policies are easy to understand (20%),
- The educational level of taxpayers (20%),
- The level of tax policies' transparency (20%),
- Strict punishment for tax non-compliance (10%).

2.2.10 What kind of experience on streamlining tax compliance do you suggest to be focused on during the Second BRITACOF?

Figure29:



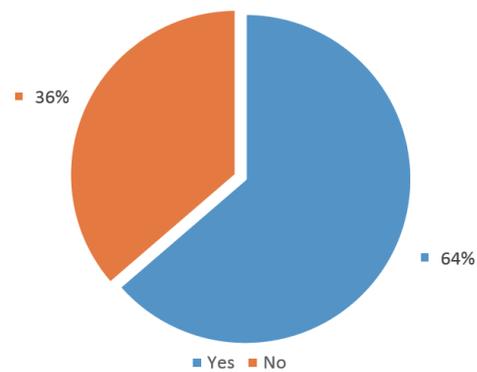
According to the results, the suggested experiences should be focused during Second BRITACOF are as follows:

- Over 32% of the jurisdictions suggest to build the risk management system;
- Tax incentives and policies are suggested by more than 24% of the jurisdictions;
- Targeted measures for tax non-compliance behaviors are suggested by about 16 % of the jurisdictions;

- Digitalization of tax administration and services and Cooperation with other departments or with the BRITACOM Member Tax Administrations are suggested by about 12% of the jurisdictions;
- Only 4 % of the jurisdictions suggest the Taxpayers classification management.

2.2.11 Do you think the tax incentive policies play a positive role in streamlining tax compliance in your jurisdiction?

Figure 30:

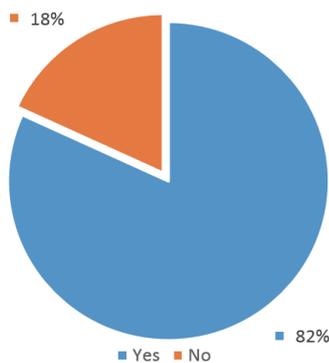


The investigation implied that over 64% of the jurisdictions think the tax incentive policies play a positive role in streamlining tax compliance. And 36% of them do not think so, the reasons are as follows:

- Compliant mindset of taxpayers;
- Incentives carry a lot of complications for a transparent application and create loopholes that are easier to exploit;
- Tax incentives create opportunities of tax avoidance and evasions for businesses;
- Tax benefits are ineffective.

2.2.12 Have your tax administration built an effective risk management system in your jurisdiction?

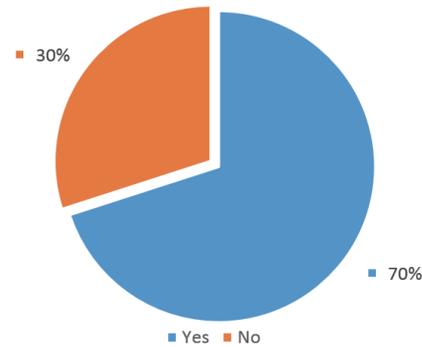
Figure 31:



As we can see from the chart, about 82% of the jurisdictions have built an effective risk management system.

2.2.13 Would you like to share your experience in streamlining tax compliance with the BRITACOM Member Tax Administrations?

Figure 32:



About 70% of the participants are willing to share their experience in streamlining tax compliance with the BRITACOM Members.

2.3 Comprehensive Analysis of Survey Results

Based on the above survey results and relevant data, it can be seen that some member states have actively conducted effective measures to streamline tax compliance.

Firstly, simplifying tax processes is the traditional method to streamline tax compliance. According to the survey, over 72% of the jurisdictions indicate that tax returns filing in their countries takes less than an hour. About 40% of the jurisdictions considered that simplified tax return form with clear filing instructions is the most effective measure. However, the overwhelming response from 70% of survey participants cast doubt as to whether reducing submission information can streamline tax compliance. The BRITACOM Task Force may need to further discuss how to deal with the potential

risks brought by the simplification of information submission.

Secondly, improving the quality of services is the most popular method among all the jurisdictions. According to the survey, 91% of the participating jurisdictions have professional consulting services provider to support taxpayers when filing tax returns. Over 63% of the participants considered that the professional tax service agency plays a vital role in their jurisdictions.

Thirdly, more and more member states have begun to attach importance to the application of Internet. According to the survey, online tax filing system has been widely used, furthermore, some jurisdictions has conducted digital platforms and intelligent taxing system. Online or telephone tax

consulting service considered as the most popular by over 63.6% of the jurisdictions. And about 30% of the jurisdictions see the digitalization of tax administration and services as the main facts that affect tax compliance.

Fourthly, guidance and publicity are gaining more and more attention by the jurisdictions. According to the survey, over 72% of the jurisdictions provide regular tax policy training or guidance for their taxpayers. 20% of the jurisdictions think that the educational level of taxpayers may affect tax compliance and some of them has been educating and promoting tax compliance starting from school.

Measures and practices

3.1 Simplifying Tax Processing

Simplifying tax processing is the most traditional and common approach in streamlining tax compliance, which has been implemented in most countries. The advantage of this method is that it is simple, and can be widely applied, while the disadvantage is its limited effectiveness.

Tax administrations have been improving tax compliance by optimizing the design of tax processes, simplifying submission information and reducing processing time. On the one hand, a well-designed tax filing system and processes would ensure that tax return forms are simple, logical, and easy to comply with. On the other hand, reducing submission information would improve tax compliance.

Practice of those countries basically focus on two aspects, one is to simplify handling process, reduce processing steps and streamline the required information submission, examples are the United States, China, India and Cambodia; the other one is to establish cooperation mechanisms with other authorities to obtain relevant data, reduce the burden of duplicated reporting on taxpayers.

The practices are evidenced in the following countries/jurisdictions:

• Argentina

Argentina introduced new procedures to accelerate the establishment of limited liability companies, book legalization, tax and social security registration.⁵

• India

India integrated multiple application forms into one general company registration form, reducing filing information and paper forms to facilitate enterprises' establishment.⁶

• Indonesia

Indonesia implement single tax rate for small and medium enterprises.

•United States

The Internal Revenue Service (IRS) introduced the streamlined procedures on September 1, 2012, to help taxpayers certify that their failure to report all income, pay all tax and submit all required information returns was due to non-willful conduct. Non-willful conduct is conduct that is due to negligence, inadvertence, or mistake or conduct that is the result of a good faith misunderstanding of the requirements of the law. The streamlined procedures are designed to provide to taxpayers in

5 Word Bank Doing Business 2019. <https://www.shihang.org/zh/about/annual-report>

6 Word Bank Doing Business 2019. <https://www.shihang.org/zh/about/annual-report>

such situations with:

- a streamlined procedure for filing amended or delinquent returns,
- terms for resolving their tax and penalty procedure for filing amended or delinquent returns,
- terms for resolving their tax and penalty obligations.

After a taxpayer has completed the streamlined filing compliance procedures, he or she will be expected to comply with U.S. ⁷law for all future years and file returns according to regular filing procedures.

• China

In the past three years, STA has substantially restructured, optimized, and simplified the requirements for tax collection and administration, documents and submission information to reduce the burden on taxpayers and improve tax compliance. In the past three years, tax collection and administration items were reduced from 922 to 469, or 49%; submission of documents and information were reduced to 2,500, a reduction of more than 50%; tax forms and certificates were reduced from 1,388 to 1,050, a reduction of about 25%. The key method is that a large amount of tax information are no longer required to be submitted and can be retained for future reference instead, which greatly reduced the amount of paper submission from the source. Reporting information are collected by means of digitalization, electronic license, e-documents with e-signatures, etc. Data exchange and sharing among departments also

effectively reduced the information reporting requirements from taxpayers.

• Cambodia

In order to streamline the tax compliance, the General Department of Taxation of Cambodia (GDT) has amended the system of self-assessment, simplified and estimated regimes into the only self-assessment regime for the purposes of monitoring and collecting tax effectively and efficiently in 2016. Under the self-assessment regime, taxpayers are classified into Small, Medium and Large categories.

The GDT, like other BRITACOM Members, delivers a number of streamlining tax compliance service to the taxpayers such as simplify the tax return, E-filing and tax compliance classification. To induce compliance GDT provides benefits of assessing tax compliance, benefits of DTA and tax incentive for Small Medium Enterprise (SME). By implementation these simplified tax processing, the number of tax compliance is dramatically increasing, especially reducing the burden of taxpayers and saving time and cost.

3.2 Improving the quality of services

Where taxpayers believe tax administrations may assist them in fulfilling their tax obligations, they are more likely to comply voluntarily. Therefore tax administrations should innovate a diversified interconnective format to push tax difficulties and risks that taxpayers are concerned to them through “enterprise-administration interaction”, improve tax services as well as the quality and efficiency of tax collection and administration to relieve the burden on both parties. For example, implementation of the “one window handling” or “one-stop service” may help facilitate tax services. In addition, it is also important to enhance comprehensive capabilities of tax officers, which would ensure that all basic services can be provided at one window and taxpayers' tax compliance are improved effectively.

Methods of establishing service-oriented goals are adopted by countries or regions with relatively developed economic and social development and better tax environment and tax awareness. Governments of these countries that adopt such measures are mostly service-oriented. Taxpayers' needs are regarded as the goal of their policies. The goal of streamlining tax compliance will be achieved by providing taxpayers with better services and building a good tax environment. The advantage of this method is that the effect will be significant and can last quite long; the disadvantages are that it requires a high degree of governance on economic and social environment and it's difficult to implement in practice and to formulate relevant policies.

The practices are evidenced in the following countries/jurisdictions:

• Iran

Enhancing tax transparency through the implementation of laws and regulations, simplifying tax forms, and increasing the necessary options for taxpayers in any of tax platforms and enhancing the performance of existing options a most important approaches of tax organization to improve the effectiveness of tax compliance management. For example, adding option of inquiring real estate valuation in electronic operations system of taxpayers.

• Tunisia

Tunisia implemented one-stop service to facilitate the establishment of various enterprises with different registration requirements.⁸

• Rwanda

Rwanda dispatched staff from the tax administration to cooperate with the staff of the Tanzanian tax administration at the one-stop service border station. One-stop services are provided to reduce the timing required for completing border compliance and implement a single customs zone.

• United States

Taxpayers' rights and the IRS' mission cited from the Strategic Plan FY2018-2022 issued by the IRS of the U.S. are as follows:

The IRS Mission: Provide America's taxpayers top-quality service by helping them understand and

8 Word Bank Doing Business 2019. <https://www.shihang.org/zh/about/annual-report>

meet their tax responsibilities and enforce the law with integrity and fairness to all.⁹

- (1) Think from taxpayers' perspective and improve tax services;
- (2) Timely and accurately resolve tax problems and build a harmonious relationship with taxpayers;
- (3) Provide targeted and timely guidance and outreach services for taxpayers;
- (4) Strengthen cooperation with third-party organizations to improve the quality and efficiency of tax administration;
- (5) Encourage taxpayers to entrust independent external audit;
- (6) Amend and improve the prevailing rules of notification;
- (7) Strengthen the collaboration between the IRS and tax agencies, and formulate and implement a scheme of "Tax Filing Agency" approved by both parties;
- (8) Establish a fair, diligent and efficient tax agency mechanism. Taxpayers with acts not complying with tax laws shall be punished.

Providing service to taxpayers is a vital part of the IRS mission, and helping taxpayers voluntarily comply with the law strengthens our tax system. Our five-year Strategic Plan focuses on six goals that will help drive continued improvements in the customer experience. We'll continue to provide, expand and improve service where, when and how taxpayers and tax professionals want and expect it.

We're modernizing our approach to make taxpayers' experiences similar to the way they interact with private sector institutions. We're working toward providing a wide array of electronic tax account options, while improving service over the phone and face-to-face.

• Sweden

A more service-oriented approach, rather than an enforcement approach, has helped the Swedish tax administration to increase citizens' trust in government, tax morale and thus compliance. Below is an introduction cited from Swedish official source for facts about Sweden, which describes what the Swedish Tax Agency does, and it may help us understand why Swedes do not hate their high taxes.

In tax we trust¹⁰ ——The following are some extracts from the tax administration of Sweden: A good starting point for the Tax Agency's consistently high approval ratings is the fact that many Swedes are not naturally anti-tax. In fact, unlike in some countries where paying tax is seen as something negative, many Swedes tolerate – and even welcome – high taxes. And a growing number would accept even higher taxes to pay for a largely fair and well-functioning society, with decent public services and a universal safety net.

In fact, the Swedish word for tax – skatt – has another meaning: treasure. There can't be many languages in which the word for tax has such positive connotations.

Besides the generally positive view towards taxes, another reason for the Tax Agency's popularity is

9 IRS Strategic Plan. <https://www.irs.gov/pub/irs-pdf/p3744.pdf>

10 <https://sweden.se/society/why-swedes-are-okay-with-paying-taxes/>

its accessibility and customer-friendliness. Many errands can be done electronically, which suits tech-savvy Swedes. For example, you can submit your income tax return online, by app, phone or even text message.

The Tax Agency is also easy to deal with because you often don't have to take the initiative.... e.g. your tax return shows up in your mailbox each year already pre-filled in.

• Canada

"Tell-Us-Once" is a Government of Canada strategic priority aimed at minimizing duplicate client interactions across multiple government organization. ¹¹As an important first step toward a single window Government of Canada online self-service, the CRA partnered with another Government of Canada department, to analyse, develop and implement tell-us-once capability. In November 2017, the CRA established the framework for this consent-based exchange of information, launching a new service whereby Canada Pension Plan recipients can update their direct deposit banking information with one Government of Canada organization which automatically updates their profile with the other organization.

• China

In terms of tax service orientation, local tax administrations in China have continuously worked on improving the integrated tax service mechanism, providing centralized services to handle tax matters for taxpayers, and realizing a unified standardized tax services. Tax matters can be handled at any

branch of tax office within the same city. Tax agencies, methods of tax handling, tax resources and tax platforms are integrated to reflect the simplified mode of "via one network, go to one tax office, through one window, and with one call".

STA also restructured the tax handling methods from taxpayers' perspective and innovated package-style services, online services and O2O (online-to-offline) services and meanwhile formulated unified standards. Collections of one-off occasional tax (fee) services are fully integrated into cross governmental facilitated services to save time for taxpayers.

• Cambodia

The Royal Government of Cambodia (RGC) has been profoundly setting the service-oriented goal in the Revenue Mobilization Strategy 2019-2023 (RMS). By this goal the GDT applies safe and timely online of service-oriented to the taxpayer such as GDT call center, GDT Facebook Page, GDT Live Chat, E-mail. Even during the Covid-19 pandemic, GDT commits to provide taxpayer online interaction via weekly Facebook Live events which cover important topics, online workshop, E-learning, etc. .

Furthermore, GDT has developed IT systems to support administrative operation such as property tax management, vehicle Transfer tax management, cigarette stamp checking, replying letter management, document tracking, HR management, E-DTA etc.

11 <https://www.canada.ca/en/revenue-agency/services/e-services/cra-mobile-apps.html>

3.3 E-Tax and Online services

Tax administrations should focus on the overall goal of promoting tax modernization and be guided by the needs of taxpayers, continuously explore the comprehensive digitalizing transformation of tax administration. Intelligent data processing rules should be embedded into the workflow of tax administration with intelligent technologies and innovative administration. In addition, the e-filing system and invoicing software should be introduced and upgraded for providing intelligent and convenient tax filing methods for taxpayers, thereby optimize the tax environment, satisfy taxpayers' expectation, and improve tax compliance.

Methods of introducing e-tax are most popular and align with to the development of the current digital time. The advantages of this method are high efficiency, accuracy and significant effects, while the disadvantages are the high requirements on technology and professional talents. In addition, it is hard to apply and promote. With the spread of modern technology, information technology has constantly developed in many countries, whether the countries are in developed or developing stages, all are actively exploring and introducing information technology and electronic function in tax services.

The practices are evidenced in the following countries/jurisdictions:

• Cyprus

Cyprus made paying taxes easier by implementing an online system for filing and paying mandatory labor contributions.¹²

• Hungary

Hungary made paying taxes easier by upgrading the internal electronic tax system. Hungary also made paying taxes less costly by reducing the social tax rate paid by the employer.

• Hong Kong,China

Hong Kong,China provide accessible and easy-to-understand tax information in the Internet. Develop electronic means for filing tax returns as well as paying tax to improve the effectiveness of tax compliance management.¹³

• Iran

Implementation of the tax Automation and Revenue Administration and intelligent taxing system, the tax organization has p the necessary infrastructure to facilitate the submission of tax returns, electronic payment of taxes, registration of objections electronically, electronic serving of process and so on.

¹² Word Bank Doing Business 2020.
<https://openknowledge.worldbank.org/bitstream/handle/10986/32436/9781464814402.pdf>

¹³ Word Bank Doing Business 2020.
<https://openknowledge.worldbank.org/bitstream/handle/10986/32436/9781464814402.pdf>

• Indonesia

Indonesia made paying taxes easier by implementing an online filing and payment system for the major taxes. In general, the main form of a tax return must be prepared in electronic format (e-tax returns), except for certain taxpayers.¹⁴

E-tax returns can be filed with the ITO either in the conventional manner, i.e., submitting the hard copy and the soft copy of the tax returns to the relevant ITO, or through e-filing, i.e., by submitting the e-tax returns through the Director General of Taxation's (DGT) website or by using an application service provider.¹⁵

• Tajikistan

A series of electronic services for taxpayers provided by the Tax Committee contribute to simplifying tax compliance such as: filing of declarations by civil servants in electronic format; payment of taxes through bank cards; obtaining information from the Unified State Register; online request for a certificate of registration with the tax authorities; and checking fiscal receipts online; provision of electronic VAT invoices.

• Russia

In 2014, the Federal Tax Service of Russia (FTS) developed and started testing a new solution enabling the FTS to sustain online access to retail sales data generated by electronic cash registers equipped with secure fiscal data units. This system also has the functionality to transmit data in real-time to the FTS servers. Following a successful

pilot, legislation mandated the use of online cash registers in all retail businesses across Russia, through a phased implementation process. Online cash registers' main characteristic is their online connectivity with the tax administration. Sales data are shared automatically and systematically with the tax administration, triggered either by the sales system itself, or on demand by the tax administration.¹⁶

• South Korea

South Korea introduced electronic tax invoicing ('e-Tax') in 2011.¹⁷ VAT registered businesses are required to submit their invoices to the tax administrations through the National Tax Service (NTS). Businesses wishing to issue tax invoices must first obtain a digital certificate. To issue the e-Tax invoice, they will need their customers' tax registration certificate for matching the invoice to a customer. The tax invoice is sent to the customer by email.

At the same time, the e-Tax invoice should be sent to the NTS. However, an alternative of monthly batch invoice submissions is permitted by the 10th of the following month. Failure to transmit an e-Tax invoice to NTS may result in a fine of 1% of the taxable amount.

Streamlining tax compliance motivates taxpayers to participate in and comply with a tax system. On one hand, tax administrations can benefit from increased compliance and more effective revenue collections, on the other hand, taxpayers (both businesses and individuals) are more likely

14 World Bank Doing Business 2020.

<https://openknowledge.worldbank.org/bitstream/handle/10986/32436/9781464814402.pdf>

15 <https://www.kemenkeu.go.id/en/publications/news/tax-reports-must-submitted-through-e-filing/>

16 https://www.nalog.ru/eng/e_filing/htd/

17 <https://etax.seoul.go.kr>

to comply if they feel that the tax administrations understand and responsive to their needs.

• China

Guided by the needs of taxpayers, STA actively followed the development trend of digitalization and took advantage of information and intelligent technology to explore innovative tax services and improve taxpayers' tax compliance.

In 2018, unified e-tax bureaus were established nationwide to support tax matters handling, inquiry, and consultations of various taxpayers and the public. The e-tax bureau can also provide timely reminders and process tracking. In 2019, the number of users of e-tax bureaus increased from 46.16 million in January to 56.62 million at the end of November across the country. From January to November 2019, taxpayers handled a total of 33.361 million tax-related matters and 2,131.54 million items were processed through e-tax bureaus, accounting for 63.35%. The ratio of nationwide e-filing exceeded 93% and the ratio reached 98% in advanced regions.

STA validated the digital information submission with e-signatures by applying real-name certification, e-certificates, e-signatures, etc. At the same time, an e-database was set up in e-tax bureaus to digitalize and keep taxpayers' tax information, which in turn support taxpayers' querying, retrieving and reusing of data.

STA made full use of tax big data and are exploring the dynamic supervision of "Credit+Risk" for tax

administration and services and promote taxpayers' tax compliance. With the intelligent data analysis, a "Credit Network" was established and integrated with public evaluation, real-time updating, comprehensive indexes, and combined evaluation and use. Certain administration measures related to the dynamic supervision system are embedded in the corresponding functions of the e-tax bureau for the use of cloud-based design. Administration and services are differentiated on credit grading rating? In addition, the reminder service is available for advice to make prompt corrections in advance. Risk supervision and service interruption are set in quick response for the Final and post-event regulation and administration.

• Rwanda

Rwanda allowed taxpayers to use new software for VAT invoices to replace the e-billing system so as to simplify the procedure of enterprise establishment. The free software provided by the office of the tax administration allows taxpayers to print VAT invoices from any printer, eliminating the previous requirement of purchase and set up a dedicated accounting machine.¹⁸

18 Word Bank Doing Business 2019. <https://www.shihang.org/zh/about/annual-report>

- **Armenia**

In 2017, Armenia incorporated broader tax calculations to improve the quality of the accounting software of Corporate Income Tax and personal Income Tax.¹⁹ This makes it possible for local accounting software to integrate with the tax administration's secure data transmission and storage systems.

(2) to save time and cost to taxpayer

(3) to promote business activities and business environment etc.

- **Uganda**

Uganda fully implemented its centralized document processing center—an electronic processing platform for centralized inspection of all documents. Traders in Uganda started to use the “Electronic One Window“, which allows online submission of documents and exchange of information between trading institutions.²⁰

- **Cambodia**

To reduce the cost of doing business and to promote business climate in Cambodia, the RGC issued the Sub-degree on E-business Registration in 2020²¹. In addition the RGC also just finished drafting the new Investment Law that provides favorable investment climate. In recent years, the GDT issued E-Service, E-VAT Refund, E-Payment and E-Filing respectively in 2018, 2019, 2020²² to handle taxpayers' burden efficiently. The purpose of these e-tax are:

(1) to facilitate the processing of taxpayer to paying tax

19 Word Bank Doing Business 2019. <https://www.shihang.org/zh/about/annual-report>

20 Word Bank Doing Business 2019. <https://www.shihang.org/zh/about/annual-report>

21 http://gs.mef.gov.kh/law_and_regulation/

22 <http://www.tax.gov.kh/taxtypes.php>

3.4 Guidance and Publicity

In respect of guidance and publicity, many countries are exploring their own measures including various tax incentives, publicity and training based on their own national conditions, social and economic environment, the characteristics of the tax system, taxpayers' needs, etc. Some countries have also taken many other measures, such as promoting the transparency of tax policies adoption and interpretation, implementing the publicity, education and training for taxpayers, improving technology to protect taxpayer's information, etc. These measures help to improve taxpayer's knowledge of tax policies continuously, enhance taxpayer's trust in tax administrations, and thus further improve tax compliance.

The practices are evidenced in the following countries/jurisdictions:

• Cambodia

- Laws and regulations on taxes are clear and drafted through consideration of social and economic conditions as well as go through public consultation;
- Develop clear and transparent standard of practice for the GDT in all levels of the GDT to ensure confident and trust from taxpayers;
- Establish information system for taxpayer to check and follow up on their tax issues submitted to the GDT;
- Establish working group to directly consult with taxpayers and business associations on their tax issues.

• Greece

IAPR publishes guidance on taxation issues in the official IAPR's website. IAPR participates in TAXEDU (European Commission) for the creation of educational material for children, teenagers and young adults. Educational material for primary education has been forwarded to Ministry of Education in order to be included in primary's education program.

• Tajikistan

Tax officials organize many seminars in cities and regions of the Republic of Tajikistan - meetings and conferences for taxpayers and tax authorities on the correct application of tax legislation. Moreover, they provide the necessary information taxpayers through television and radio programs, as well as publications in newspapers and magazines of the country.

• Serbia

Serbia realizes visits to newly registered taxpayers, holds information gatherings, conducts campaigns, and publishes tax informants.

3.5 Streamline Tax Compliance Measures Implemented by Countries During the COVID-19 Pandemic

Since 2019, as the COVID-19 pandemic affected the whole world. Tax administrations globally are putting in place or considering measures to support taxpayers as a whole or particular classes of taxpayers affected by the pandemic. In addition to the above-mentioned common measures for streamlining tax compliance, tax administrations shall play an active role to help enterprises in difficulties in the period of prevention and control of the COVID-19 pandemic. Measures for streamlining tax compliance shall be introduced to cope with this special situation, including reducing tax rates and extending tax filing deadlines.

The practices are evidenced in the following countries/jurisdictions:

- **Pakistan**

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

VAT+ Other consumption tax:

Elimination of all taxes (i.e. Customs Duty, GST, WHT) on 61 essential health machinery, equipment.

Property taxes:

Elimination on the Capital Value Tax on capital market transactions.

Other consumption taxes:

(1) Extension of the deadline for payment of sales tax and federal excise duty for February 2020 (payment due on 15 March 2020) to 12 April 2020.

(2) Medical and testing equipment are exempt from duties and taxes (customs duty, withholding tax on imports, sales tax on imports) for a period of 3 months commencing from the date of publication of the Statutory Regulatory Orders. The exemption may be extended for another 3 months on the recommendation of the Ministry of National Health, Services, Regulation & Coordination in case the COVID-19 pandemic would continue.

Other:

Immediate release of tax refunds and Drawback of Local Taxes and Levies(DLTL) payments to Exporters/Industry.

Key Policy Responses as of May 6, 2021

Elimination of import duties on emergency health equipment (recently extended until December 2020); accelerated tax refunds to exporters (PKR 100 billion);

In addition, the FY 2021 budget includes further increases in health and social spending, tariff and custom duty reductions on food items, an allocation for 'COVID-19 Responsive and Other Natural Calamities Control Program' (PKR 70 billion), a housing package to subsidize mortgages (PKR 30 billion), as well as the provision of tax incentives to the construction sector (retail and cement companies) which got extended in the context of the second wave to the end of December 2021.

Provincial governments also implemented supportive fiscal measures from the onset of

the shock, including cash grants to low-income households, tax relief, and additional health spending (including a salary increase for healthcare workers). The government of Punjab implemented a PKR 18 billion tax relief package and a PKR10 billion cash grants program. The government of Sindh's measures included cash grant and ration distribution program of PKR 1.5 billion for low-income households. The FY2021 provincial budgets also provide tax relaxations and sizeable increases in expenditure allocations, especially on health services.²³

• Rwanda

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:VAT:

- (1) Fast-tracking of VAT refunds to SMEs.
- (2) VAT exemption for locally produced masks.

CIT:

- (1) Extension of the deadline for filing and paying CIT.
- (2) CIT and PIT payments based on current year transactions.

PIT:

PIT exemption for private school teachers and tourism and hotel employees earning less than RWF 150,000/month.

Other:

- (1) Suspension of down payments on outstanding tax for amicable settlement.

(2) Softening of enforcement for tax arrears collection.

Key Policy Responses as of May 6, 2021

The “Manufacture and Build to Recover Program” adopted end-2020 provides for VAT exemptions on construction materials and tax credits.

The revised FY20/21 budget accommodates additional COVID-19-Related spending, including to support the hard-hit transport sector in the form of fuel subsidies, ERF loans, and tax relief.²⁴

• Serbia

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

VAT:

VAT exemption on donations of supplies of goods/ services to certain health institutions. Taxpayers making such supplies are allowed to deduct input VAT. The exemption applies from 15 March until the end of the state of emergency.

CIT:

Payment of advance corporate income tax for the months of March, April, and May 2020, can be deferred until the date of filing the final annual tax return for the relevant year.

PIT and SSCs:

Deferral of PIT advance payments and SSCs levied on salaries and wages in March, April and May 2020 (if the taxpayer wish to do so) until 4 January 2021.

23 http://britacom.org/covid19/bprtc/202106/t20210601_1118312.html

24 http://britacom.org/covid19/bprtc/202008/t20200803_1107611.html

Other:

(1) For all the taxpayers who reached an Agreement with the Tax Administration to pay taxes in installments during the “state of alarm“, the Tax Administration will not suspend the Agreement and will not calculate the interest rate for the installments not paid on time.

(2) Interest rate for tax debts is calculated and paid, but is decreased by 10% and is equal to the annual referent rate of the National bank of Serbia, which currently amounts 1.75%. When it comes to paying tax on wages, social contributions and corporate profit tax, there won't be any interest calculated since their payment is deferred.

(3) The Government will execute payment of the minimal wage during the “state of alarm“.

(4) The Government will give 50% of the net minimal wage to employees which are fired due to lack of work.

(5) The Government introduced a Program for grants in order to retain liquidity and cash flow for individuals, SMEs, agricultural companies and all those who are registered for producing food.

(6) Deferral of payments of installments for credits given by commercial banks and leasing installments lasting 90 days where there is no interest rate calculated.

(7) Payment of replacement income to individuals that have lost their job because of the Covid-19 crisis (up to certain amount).

(8) Cash transfer to all residents older than 18 years

of EUR 100.

Key Policy Responses as of May 5, 2021

1. Three-month deferment of labor taxes and social security contributions for all private companies, to be repaid in 24 installments starting from 2021 (RSD 100bn).

2. Deferment corporate income tax advance payment during the second quarter of 2020 (RSD 21bn).

3. Other measures include a 3-month moratorium on enforcement and interests on tax debt under rescheduling agreements and 10 percentage points reduction of the interest rate on tax debt.

4. A second round of measures was adopted in late July,2020, including wage subsidies for SME employees for another two months (RSD 36 billion), and deferment of labor taxes and social security contributions for all private companies for an additional month (RSD 30 billion).

A supplementary budget with new support measures was adopted in April 2021 without tax policies.²⁵

•Australia

The crisis is impacting businesses and individuals in different ways and the Australian Taxation Office (ATO) has been strongly advised by external consultation groups, agents and businesses that blanket treatments are not in the best interests of taxpayers, the profession or the tax system. The ATO is also encouraging clients to continue meeting their lodgement obligations to ensure business records are maintained. Visibility of lodgement also

²⁵ http://britacom.org/covid19/bprtc/202008/t20200803_1107614.html

helps the administration to determine any support and assistance taxpayers may require.

Responses will be tailored to individual circumstances, to provide support and assistance to those who need it, while leaving everyone else to lodge and pay as normal. The majority of Australian businesses and individuals utilise the services of a registered agent and there is functionality in our flagship Online Services for Agents product which enables agents to request an agent-assessed lodgement deferral of up to four weeks. Payment deferrals are linked to lodgement deferrals in most cases.

The ATO has increased communications and is encouraging taxpayers and tax agents who are experiencing difficulty in meeting lodgement or payment obligations, or who are concerned about new and ongoing debts, to contact the administration. The ATO has a range of existing tools and discretions available to help taxpayers who may be struggling and increased the number of staff available on phone lines to meet the additional demand.²⁶

• Belgium

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

- Extension of return filing deadlines for corporate income tax, legal entity tax and non-resident income tax (corporate) from 16 March to 30 April 2020.
- With respect to value added tax (VAT), the deadlines for filing returns were extended to 6 May 2020 (for February 2020 VAT returns) and 7 May

2020 (for March 2020 VAT returns and 1st Quarter VAT returns). For starting companies or license holders who would like to obtain their monthly VAT refund, the return filing period was extended until the 24th of the month following the reporting period. The report filing deadlines for European intra-community sales were also extended (with the same deadlines as for VAT return filing). The deadline for the annual report on intra-community sales was extended to 30 April 2020.

- Extension of the deadlines for declaring expenditures related to the tax shelter regimes: (i) for audio-visual works, the current period of 18 months (24 months for animation) is extended by 6 months; and (ii) for performing arts, the current period of 24 months is extended by 6 months. In order to benefit from the extension, the producer has to demonstrate directly sustained damages as a result of the government measures taken to combat the COVID-19.
- With respect to tax payments, companies receive an automatic extension of two months, without penalties or interests, to pay the wage withholding tax and VAT (a total of four months instead of two months). Also, companies and natural persons receive an automatic extension of two months, without penalties or interests, to pay their personal income tax, corporate income tax, non-resident tax, and legal entity tax, related to the taxable year 2019 and assessed after 12 March 2020 (a total of four months instead of two months). For payments concerning personal income tax and corporate income tax assessed before 12 March 2020, the case-by-case measures mentioned above can be applied.²⁷

²⁶ Tax Administration Responses to COVID-19: Measures Taken to Support Taxpayers, 21 April 2020.

²⁷ Tax Administration Responses to COVID-19: Measures Taken to Support Taxpayers, 21 April 2020.

• Brazil

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

- a. Reduce social charges for professional social policy institutions that are supported by government.
- b. Reduce import tariffs for medical supplies.²⁸

• Cambodia

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

By 29th June 2021, the Royal Government of Cambodia has issued 9 rounds of Intervening Measures in response to COVID-19 crisis. Among those measures, there are a number of tax measures which are:

- a. All types of monthly taxes payments are exempted from February 2020 to September 2021 for registered hotels, guesthouses, restaurants, and travel agencies operating in 7 provinces/cities (Phnom Penh, Siem Reap, Preah Sihanouk, Kep, Kampot, Bavet city, and Poipet city) where tourism plays a key role. However, those businesses have to file tax return and use e-VAT system monthly during this exemption period.
- b. Minimum tax including monthly prepayment of income tax are exempted from March 2020 to September 2021 for all airlines registered in Cambodia.
- c. Annual tax on income for 2019 payment is allowed to do monthly installments until November 2020 for registered hotels, guesthouses, restaurants

and travel agencies operating in Phnom Penh, Siem Reap, Sihanouk, Kep, Kampot, Bavet and Poipet, but the taxpayers are required to file tax return for 2019 tax on income by 31st March 2020. In addition, annual tax on income for 2020 is exempted, but the taxpayers are also required to file tax return for 2020 tax on income by 31st March 2021.

d. Transferred tax is waived from February 2020 to December 2021 for any house purchases below or equal 70,000 USD from licensed property developers.

e. Taxes on seniority indemnity payments are exempted for before and during 2019 from Cambodian employees working in garments, footwear, textile and other sectors and those who recruit, train, send and supervise Cambodian workers to work abroad. For seniority indemnity payments from 2020 onward, the tax exemption is applicable for those who receive less than 1,000 USD per year.

f. For new loans, withholding tax rate on loan of banks and financial institutions from both local and overseas sources (from the countries with and without Double Taxation Agreement – DTA) is lowered to 5% for 2020 and 2021, and 10% for 2022. In 2023, the withholding tax rate will be adjusted to the normal level in accordance with the laws and regulations in force. For existing loans, withholding tax rate on loan of banks and financial institutions from both local and overseas sources (from the countries with and without DTA) is lowered to 10% for 2020 and 2021. In 2022, the withholding tax rate will be adjusted to the normal level in accordance

28 PWC.(2020). Navigate Tax, Legal and Economic Measures In Response To COVID-19. Retrieved March 20,2020, from <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-Covid-19.html>.

with the laws and regulations in force.

g. Patent tax and signage tax (tax on billboard) for travel agencies and operators in other tourism-related industries are exempted for 2020 and 2021; however, the taxpayers are still obliged to do patent renewal.

h. Comprehensive Tax Audits for 2020 are deferred for hotels and guesthouses registering with GDT and operating their business in Siem Reap.

• China

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

During the period of the COVID-19 pandemic, State Tax Administration of P. R. China (STA) has continuously explored various measures for streamlining tax compliance in support of the pandemic prevention and control and work resumption of enterprises. On the one hand, tax administrations advocate handling tax-related matters online with information technology in the period of pandemic prevention and control to prevent the spread of coronavirus caused by gathering. Furthermore, specific preferential tax policies are introduced to reduce and exempt taxes for certain industries in response to the impact of the pandemic. On the other hand, tax filing is extended in support of work and production resumption of enterprises, which also help reduce the tax burden on enterprises during the period of the pandemic.

As a country with a relatively early outbreak of the pandemic, STA has been continuously exploring and innovating new measures in the period of

prevention and control of the COVID-19 pandemic. Many special measures were taken to streamline tax compliance for supporting the pandemic prevention and protection and work resumption of enterprises.

VAT:

(1) VAT exemptions for “lifestyle services” (normally subject to a 6% rate) including medical services, catering and accommodation services, “sundry personal services” including hairdressing and laundry, as well as public transportation and express delivery services provided to individuals.

(2) A full refund of carried forward excess input VAT credits, granted to businesses engaged in production of supplies for COVID-19 protection and containment.

(3) VAT-exemption of sales by “small-scale taxpayers” in Hubei province and reduction of the VAT rate applicable to “small-scale taxpayers” in other areas from 3% to 1%, from March 1 to May 31, 2020. (It has been extended to 31 December 2020).

(4) Individual taxpayers (“sole traders”) that have elected for taxation under the normal VAT regimes (i.e. to be treated as “general taxable persons”) for less than 36 months, may reverse their decision and apply for a refund of VAT applied on exports (and VAT exemption of future exports).

(5) Tax incentives have been intensified for small and micro enterprises (SMEs) and self-employed businesses from Mar.1 to Dec.31, 2020. Small scale taxpayers of VAT nationwide, whose sales income is subject to 3% VAT rate, can enjoy a lowered VAT rate of 1%.

(6) Donations made in cash or in kind to help

combat COVID-19 are exempt from VAT and other consumption taxes.

PIT:

(1) PIT exemptions for bonuses and subsidies paid to medical staff working in combatting COVID-19.

(2) Tax authorities in Hubei province are urged not to withhold individual income tax from “sole traders” and “partnership enterprises” when these taxpayers issue VAT invoices for cargo transportation services. (Note: normally, a prepayment of individual income tax is withheld when “sole traders” and “partnership enterprises” issue VAT invoices on cargo transportation services).

(3) Donations made by enterprises or individuals through qualified Public Benefit Organisations or government authorities can be fully deducted for PIT purposes.

CIT:

(1) For seriously affected businesses in certain sectors (transport, catering, accommodation and tourism), increase loss-carry forward from 5 to 8 years for losses incurred in 2020.

(2) Specific CIT incentives for enterprises engaged in producing key supplies related to COVID-19 protection and containment. This includes 100% expensing for investment in equipment to expand production capacity. In contrast to standard tax rules, there is no limit to the scale of the investment such that larger scale investments also benefit from the immediate expensing.

(3) Donations made by enterprises or individuals through qualified Public Benefit Organisations or

government authorities can be fully deducted for CIT purposes.

SSCs:

Temporary waiver of the contributions made by enterprises for their employees' endowment insurance, unemployment insurance and employment injury insurance. A nationwide maximum 5- month and 3- month contribution holiday was granted to micro, small and medium-sized enterprises and large businesses (50%? or 100%? - tbc), respectively. This reduction also applies to the self-employed. In addition, the employer SSC for basic medical insurance can be reduced by 50% for 5 months for all firms (if approved by the respective province where the business is located).

SMEs nationwide have the waiver of contributions for their employee's endowment insurance, unemployment insurance and employment injury insurance from Feb. to Dec.2020; employer SSC contributions from large scale enterprises and other participants (government departments and public institutions are excluded) are reduced to half from Feb. to Jun. 2020 nationwide.

Other:

(1) Donations made in cash or in kind to help combat COVID-19 are exempt from VAT and other consumption taxes. In addition, donations made by enterprises or individuals through qualified Public Benefit Organisations or government authorities can be fully deducted for CIT and PIT purposes.

(2) The deadline for tax filing in February, 2020, was extended to the last working day of that month outside of Hubei province and to the end of March

2020 in Hubei province, and the deadline for tax filing in March 2020 has been extended nationwide by one week.

(3) A series of measures to facilitate export tax refunds has been introduced to provide export enterprises with simpler tax filing obligations and accelerated tax refund processes.²⁹

• Cyprus

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

- a. Extend the compulsory tax filing period by two months, i.e., from 31 March 2020 to 31 May 2020.
- b. Extend the deadline for contributors to make objections to the social security contributions. Where self-employed households have objections to the amount of actual income subject to social security contributions, the deadline for raising objections was extended from 31 March to 30 April. Relevant laws need to be amended to validate this policy.
- c. Suspend the scheduled increase in the special contribution of the General Health Plan. The special contribution of the General Health Plan borne by the employees and employers were suspended for two months, i.e., April and May of 2020. The temporary suspension will not affect the enforcement on second phase of the General Health Plan. Relevant laws need to be amended to validate this policy.

d. During special periods, special arrangements will be made for taxpayers in the list of tax installment plan.³⁰

• Estonia

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

- a. Tax administrations will not charge interest on the unpaid tax during the period from 1 March 2020 to 1 May 2020. Taxpayers are encouraged to apply for an installment agreement online via the e-tax bureau. In addition, the list of the enterprises that owe tax will not be disclosed (the list is usually disclosed);
- b. The social security contributions borne by sole proprietorships in the first quarter of 2020 are fully paid by the government.³¹

• Germany

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

- According to the announcement by the government, the tax filing deadline shall be extended for free based on the taxpayers' application. The extension on tax filing deadline may help enterprises to cope with current pandemic situation, including: easier to grant tax payment deferral and adapt to tax prepayment, mandatory measures (for example, where the debtors that owed tax are directly affected

29 http://britacom.org/covid19/bprtc/202008/t20200803_1107583.html

30 PWC.(2020). Navigate Tax, Legal and Economic Measures In Response To COVID-19. Retrieved March 20,2020, from <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-Covid-19.html>.

31 PWC.(2020). Navigate Tax, Legal and Economic Measures In Response To COVID-19. Retrieved March 20,2020, from <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-Covid-19.html>.

by COVID-19, their bank accounts shall be frozen until 31 December 2020) and late payment penalties will be waived.

- The German government make it easier for enterprises to apply for the subsidies for supporting the workers whose working time is reduced. The reform on solidarity tax has been discussed by government authorities. High-income individuals will be imposed an additional surcharge of 5%.³²

• Greece

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

- For those enterprises that are affected by the pandemic and have business dealings with the Thomas Cook Group, the suspension of VAT payment shall be extended.
- The deadline of VAT payment is extended for the enterprises that are affected by the COVID-19 pandemic, and the collection of the related debts is suspended.
- The VAT rate is reduced from 24% to 6% until 31 December 2020 for supplies that are used for prevention and control of coronavirus, including: (a) masks and gloves; (b) preservative solution, wipes and other preparations; (c) soaps and other personal hygiene supplies; (d) ethanol used as a raw material to produce preservatives.
- Provide supports for employees of enterprises that are temporarily closed, including fiscal support

measures, compensation for special purpose, insurance, special allowance and training.

- Repayment for certificated debt related to social security contributions shall be extended or suspended and can be arranged for an installment agreement.

- Where the enterprises are temporarily closed due to the arrangement of the government, the employees whose employment contract are therefore suspended, will receive a compensation of 800 euros. The government will pay the employees' insurance, pension, health and social security contributions based on their salaries.

- The article related to the job reservation shall be applicable to all enterprises that are not temporarily closed, which is regarded as the requirement for suspending the payment of social security contributions and taxes as well as the use of special financial support tools.³³

• Hungary

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

Enterprises that provide passenger transportation service are exempted from tax. According to the KATA tax system, small-scale taxpayers who provide passenger transportation service (such as taxi) are exempted from tax for the tax period from March to June 2020.³⁴

32 PWC.(2020). Navigate Tax, Legal and Economic Measures In Response To COVID-19. Retrieved March 20,2020, from <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-Covid-19.html>.

33 PWC.(2020). Navigate Tax, Legal and Economic Measures In Response To COVID-19. Retrieved March 20,2020, from <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-Covid-19.html>.

34 PWC.(2020). Navigate Tax, Legal and Economic Measures In Response To COVID-19. Retrieved March 20,2020, from <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-Covid-19.html>.

• Indonesia

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

- a. Manufacturing enterprises are exempt from Corporate Income Tax from 1 April for six months. The process of VAT refunding shall be accelerated. The tax filing deadline of imported tariffs shall be extended.
- b. Individual Income Tax shall be exempted for 6 months from 1 April 2020.
- c. Payment of Corporate Income Tax on the income derived from sales of imported goods shall be extended for 6 months from 1 April 2020.
- d. Enterprises engaging in the accommodation and catering sector are exempt from 10% of local tax liabilities for 6 months. The central government will subsidize the corresponding income of local governments.³⁵

• Italy

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

- a. Tax incentives for the donations in support of the emergent measures in response to the pandemic.
- b. Where account receivables claimed against defaulting debtors are transferred before 31 December 2020, the tax losses and nominal interest deductions of deferred tax asset shall be transferred

to tax deductions. Tax deduction is counted as 50% of the costs.

- c. The deadline for filing of 2019 annual financial statements and balance sheets is extended.
- d. The following issues shall be suspended: the implementation on the clause related to tax administrations' activities, deadline for the payments of entrusted agents' fees (from 8 March to 31 May) and the clause of payment.
- e. All the tax filing with deadline between 8 March 2020 and 31 May 2020 are extended (except for tax payment).³⁶

• Kazakhstan

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

- a. The submission date for 2019 tax return (e.g., tax return of Corporate Income Tax and Individual Income Tax) are extended for 30 natural days (i.e., through 30 April 2020).
- b. Simplified process of deferred debt payment and discipline mechanism not applicable to tax matters.
- c. The judicial monitoring notice shall be suspended during the state of emergency. Tax and customs on-site inspection shall be reduced. Related administrative liabilities shall be suspended until the end of emergency.³⁷

35 PWC.(2020). Navigate Tax, Legal and Economic Measures In Response To COVID-19. Retrieved March 20,2020, from <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-Covid-19.html>.

36 PWC.(2020). Navigate Tax, Legal and Economic Measures In Response To COVID-19. Retrieved March 20,2020, from <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-Covid-19.html>.

37 PWC.(2020). Navigate Tax, Legal and Economic Measures In Response To COVID-19. Retrieved March 20,2020, from <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-Covid-19.html>.

- **Malaysia**

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

- a. Taxpayers' Corporate Income Tax filing was extended for 2 months.
- b. Taxpays' indirect tax (including Value-added Tax and tariffs) filing is extended from the end of month (e.g. 31 March 2020) to 15 April 2020.
- c. The deadline of Individual Income Tax filing is extended for 2 months. For example, where the tax filing shall be completed before 31 March 2020, the deadline is now extended to 31 May 2020. For the tax filing of individuals, partnerships, estates of the deceased and consolidated families which shall be completed before 30 April 2020 or 30 June 2020, the deadlines for filing are extended to 30 June 2020 or 31 August 2020 respectively.
- d. Taxpayers may apply for deferred payment of the Corporate Income Tax via "Taxpa" before 31 March 2020.
- e. The deadline for monthly submission of tax reports (e.g., income statement) is extended.³⁸

- **New Zealand**

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

- a. Starting from the 2020-2021 tax year, the accelerated depreciation method shall be applied

to industrial and commercial real properties with a depreciation rate of 2%.

- b. Where the enterprises are affected by the pandemic from 14 February 2020, late payment penalties (including prepaid tax, withholding tax and goods and service tax) are exempted.
- c. Starting from the 2020-2021 tax year, the depreciation rate for industrial and commercial real properties shall be 2%. The threshold for the written-off of low-value assets is lower, and the assets that not exceed NZD 5,000 are allowed to be written-off as low-value assets.
- d. Late payment penalties due to the pandemic may be exempted in specific situation.
- e. The deadline of tax fling may be extended for certain income tax. Although the tax filing deadline of Goods and Service Tax and withholding tax shall not be extended, the penalties for late filing can be waived.³⁹

- **Nigeria**

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

- a. Tax administrations encourage taxpayers to complete tax filing via the existing online platform and provide them the phone number and e-mail address for policy consultation.
- b. Taxpayers can check enterprises' credit certificate and tax return through the online platform.

38 PWC.(2020). Navigate Tax, Legal and Economic Measures In Response To COVID-19. Retrieved March 20,2020, from <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-Covid-19.html>.

39 PWC.(2020). Navigate Tax, Legal and Economic Measures In Response To COVID-19. Retrieved March 20,2020, from <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-Covid-19.html>.

c. Online tax filing platform for Individual Income Tax and withholding tax are launched in some states.⁴⁰

- **Russia**

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

- The field tax audit service is suspended until 1 May 2020.
- Certain medicines are subject to 0% tariff.
- The tax filing deadline for tourism, air transportation, sports, cultural and art industries is extended to 1 May 2020.⁴¹

- **Spain**

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

For procedures already started on or before 18 March, there will be an extension of the legal deadlines until 30 April (“Stop the clock provision”). This includes tax payments, answering requests for information, lodging pleadings, etc. For procedures started after 18 March, the extension will be until 20 May (or the legal date, if later).

In addition, deadlines for the submission of tax returns and self-assessments and related payments due between 15 April 2020 and 20 May 2020, will be extended until 20 May 2020 (15 May 2020 in the

case of payment by direct debit) for the following taxpayers:

- Taxpayers who had a volume of transactions not exceeding EUR 600 000 in 2019.
- As an additional condition for Public administrations (including social security), their last approved annual budget must not exceed EUR 600 000. However, there will be no extension of the deadline for the following declarations:
 - Customs declarations
 - Tax groups applying consolidated corporate income tax regime (regardless the volume of transactions)
 - Groups of entities subject to the VAT special Groups regime (regardless the volume of transactions).⁴²

- **Singapore**

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

- In 2020, qualified commercial real estate (for example, franchising hotels, serviced apartments, specified venue for meetings, awards and activities) will be subject to 10% to 30% Real Estate tax refund.
- Taxpayers are entitled to 25% tax refund, capped at S\$15,000. The interest-free period on the prepaid tax for estimated income is extended for two months.⁴³

40 PWC.(2020). Navigate Tax, Legal and Economic Measures In Response To COVID-19. Retrieved March 20,2020, from <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-Covid-19.html>.

41 PWC.(2020). Navigate Tax, Legal and Economic Measures In Response To COVID-19. Retrieved March 20,2020, from <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-Covid-19.html>.

42 Tax Administration Responses to COVID-19: Measures Taken to Support Taxpayers, 21 April 2020.

43 PWC.(2020). Navigate Tax, Legal and Economic Measures In Response To COVID-19. Retrieved March 20,2020, from <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-Covid-19.html>.

- **United States**

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

The due date for filing Federal income tax returns is automatically extended from 15 April 2020, to 15 July 2020. Taxpayers who need additional time to file beyond 15 July 2020, can file a request for a filing extension. Taxpayers who are due a refund are encouraged to file as soon as possible, however. No extension is provided for the filing of any federal information return.

The due date for making Federal income tax payments due 15 April 2020, is postponed to 15 July 2020. There is no limitation on the amount of the payment that may be postponed.

The relief provided is available with respect to Federal income tax payments (including payments of tax on self-employment income) and income tax returns due on 15 April 2020, in respect of a taxpayer's 2019 tax year, and Federal estimated income tax payments (including payments of tax on self-employment income) due on 15 April 2020, for a taxpayer's 2020 taxable year.

In addition, the due date for filing the Federal gift and generation-skipping transfer tax return and for paying the Federal gift tax or generation-skipping transfer tax is automatically extended from 15 April 2020, to 15 July 2020. Taxpayers who need additional time to file beyond 15 July 2020, can file a request for a filing extension.

No extension is provided for the payment or deposit of any other type of Federal tax.

With respect to payroll taxes, the due date for depositing employer payroll taxes and 50% of selfemployment taxes related to Social Security and Railroad Retirement for taxes on wages paid during 2020 is postponed. The deferred amounts are payable over the next two years – 50 percent due on 31 December 2021, and 50 percent due on 31 December 2022.

The COVID-19 outbreak has an unprecedented impact on the cash-flow situation of many individuals, who may for example be laid-off temporarily from employment or who have to take unpaid leave for caring responsibilities. For many businesses, particularly small businesses and the self-employed, the down-turn in economic activity will also have severe consequences as shops are being closed, the number of customers may be reducing significantly, contracts may be terminated, supply chains interrupted, etc. At the same time those businesses continue to have regular expenses such as rental of business space, utility bills, wage costs and so on. Cash-flow issues can cause the failure not only of one business but also of connected businesses through a domino effect.

Tax administrations could consider assisting taxpayers and easing cash-flow burdens by deferring tax payments which are due in instalments (for example quarterly or six monthly) or by downward adjustments to advance tax payments (or even suspension of such payments) even where profits are expected for the fiscal year. As noted above, consideration could be given to the duration of deferral and the potential longer term issues that might arise for cash-flow where amounts of tax due might build up significantly.⁴⁴

• The United Arab Emirates

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

- a. 20% of the tariff on the domestic sales of imported goods are refundable. The bank guarantees required for customs clearance is cancelled. The cost of customs clearance is reduced by 90%.
- b. The Customs of Dubai has suspended audit work.⁴⁵

• Ukraine

The intervention measures issued by the government to assist the impact of Covid-19 are as follow:

- a. On-site tax audits were suspended from 18 March 2020 (except for the review on VAT refund). All the tax audits in process were postponed to 31 May 31 2020. The State Taxation Administration of Ukraine announced a new official timetable for tax audit on 30 March 2020. The tax effectiveness was suspended until 31 May 2020.
- b. No penalties will be imposed on any violation of the regulations of corporate profit tax.
- c. Imports of medicines, medical supplies and equipment for prevention and control of pandemic are exempt from VAT and custom duties, and the list of medicine and medical equipment shall be specified by the government. Priority shall be given to such items for custom clearance. The importer may make advance or temporary customs declarations for these items.

d. Until 2022, VAT will be exempted in the cases where medicines, medical supplies and medical equipment are imported with government budget or purchased from manufacturers directly with the authorization of the relevant authorities, and where such items are further provided to patients through medical authorities.

e. No penalties will be imposed on violations of the regulations of Individual Income Tax and unified social security contributions. The deadline for filing of Individual Income Tax for year 2019 is postponed from 30 April 2020 to 30 June 2020. The deadline for payment of Individual Income Tax and Military Tax based on tax returns is postponed from 31 July 2020 to 30 September 2020.

f. As for social security contributions, individuals who are registered as private business owners, freelancers or farmers are exempt from social security contributions for March 2020 as well as the penalties for late payment and late declaration incurred in March and April of 2020 for April 2020.

g. Audits are suspended from 20 March 2020 to 18 May 2020.⁴⁶

45 PWC.(2020). Navigate Tax, Legal and Economic Measures In Response To COVID-19. Retrieved March 20,2020, from <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-Covid-19.html>.

46 PWC.(2020). Navigate Tax, Legal and Economic Measures In Response To COVID-19. Retrieved March 20,2020, from <https://www.pwc.com/gx/en/services/tax/navigate-the-tax-measures-in-response-to-Covid-19.html>.

3.6 Conclusion and Recommendation

In conclusion, the Report find that effective measures for streamlining tax compliance will improve tax compliance of taxpayers. On the one hand, tax administrations can benefit from greater tax compliance and more effective tax collection; on the other hand, if taxpayers think that the tax administrations understand and meet their needs, they are more likely to improve tax compliance in turn. That is why many countries are actively exploring and researching the most suitable measures for them to streamline tax compliance.

The Report provides the following recommendations:

1. **Simplifying Tax Process:** Tax Administration should design and make the tax the return form simple for taxpayer to understand and easily comply with. The tax return form should be able to complete within an hour time.
2. **Improving Quality of Services:** Tax Administration should incorporate professional tax service providers i.e. tax agent in the service line for provide services to taxpayer. The professional tax service providers can play a vital role in assisting taxpayer in preparing tax return.
3. **E tax and Online Services:** Tax Administration should incorporate information communication technology as part of its operation. Nowadays, online tax filing system has been widely used, some Tax Administrations have conducted digital platforms and intelligent taxing system. In addition, online services are also employed.
4. **Guidance and publicity:** Tax Administration should provide regular tax policy training or guidance for their taxpayers. In addition, education should on taxes should have been provided to promote tax compliance starting from school. The level of knowledge on tax obligation of the taxpayer may affect tax compliance.

Next Steps

This final report provide the current status of tax compliance of BRITACOM members, identified a series of measures and jurisdiction examples that the BRITACOM members may consider for streamlining tax compliance procedures.

The BRITACOM has set up different task forces for the five BRITACOM priorities. This final report on streamlining tax compliance serves as a basis for further exchanges and cooperation among members of the Working Group. It can also help to set priorities and future course of actions on this subject for international cooperation to achieve the goals and tasks set out in the Wuzhen Action Plan (2019-2021). These goals and tasks can be achieved by focusing on three main works as follows:

Firstly, establish an effective and efficient cooperation mechanism among the BRI jurisdictions, through which the communication with each other could be strengthened by various ways such as online meetings or emails.

Secondly, continue to share experience in the field of streamlining tax compliance, learn from the advanced practices, further exchange views, reach consensus, deepen cooperation, and summarize tax

policies and support measures for the COVID-19 pandemic, so as to achieve our common aspiration of streamlining tax compliance.

Thirdly, actively promote the normalization of experience exchange among BRITACOM jurisdictions and continue to carry out training on streamlining tax compliance.

Streamlining Tax Compliance

Wuzhen Action Plan (2019–2021) Final Report
September 2021

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