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**GOVERNANCE**  
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# ADB's Capacity Support on Tax for Asia- Pacific Countries

Presentation by:

**Yuji MIYAKI**

Public Management Specialist (Taxation)

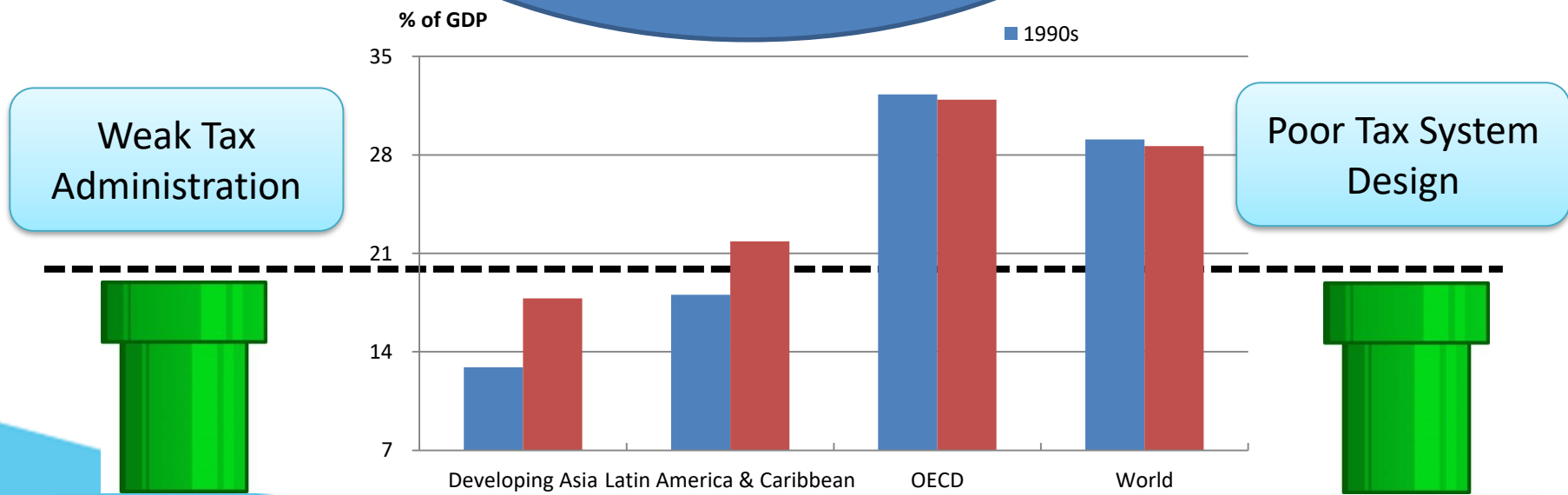
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**Asian Development Bank**

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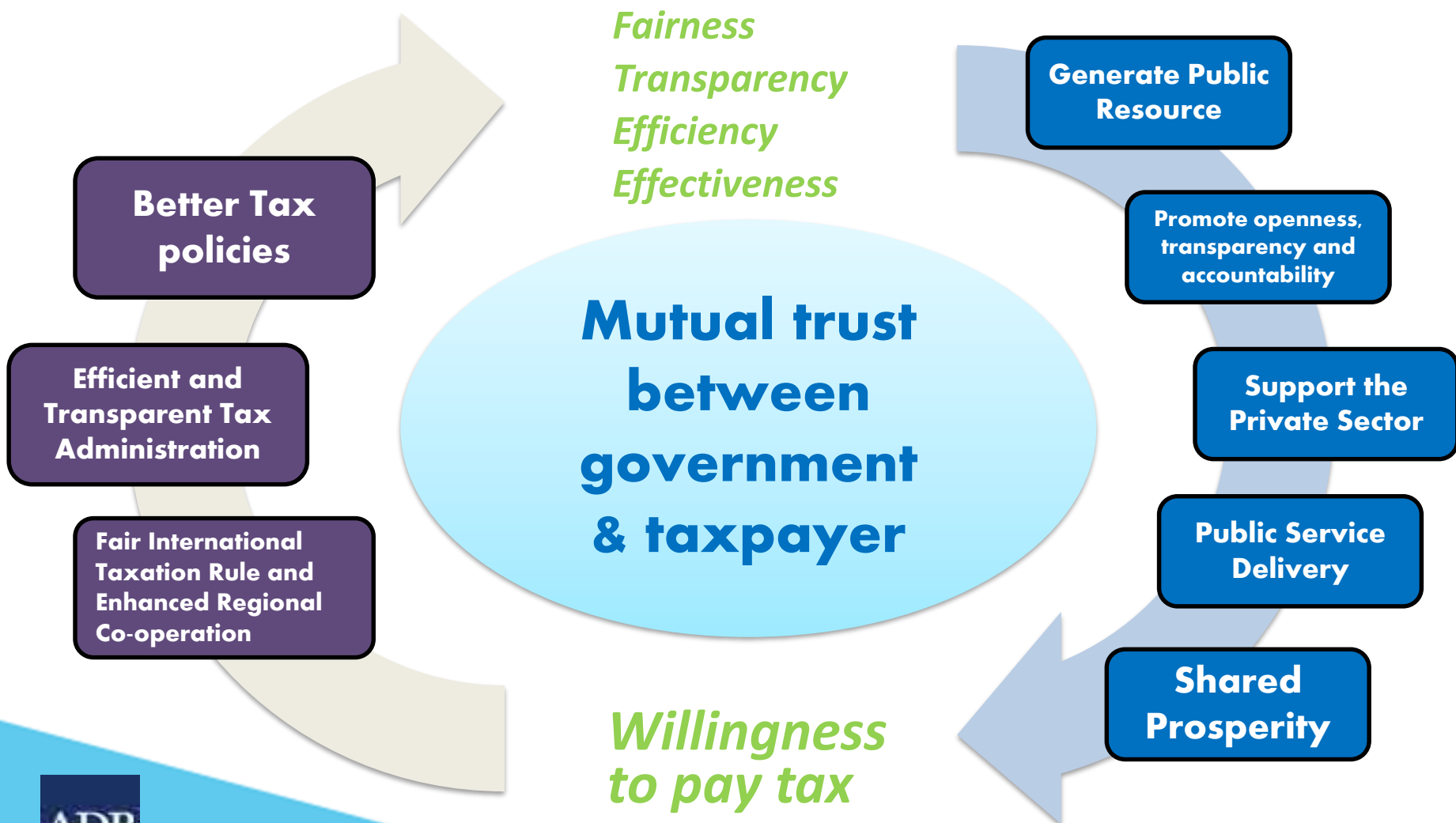
# Global Tax Agendas and ADB operations



**ADB support (Loans, Grants, Technical Assistance (incl. Knowledge sharing))**

# Better Tax Systems & Improved Governance

## Better and Effective Tax System



# Recent Development:

## ADB's Capacity Support on Tax for Asia-Pacific Countries

- **Support to strengthen domestic resource mobilization (DRM)**
  - Joined the Addis Tax Initiative as a supporting organization
  - Regional Technical Assistance: Strengthening Tax Policy and Administration Capacity to Mobilize Domestic Resources
  - **Established Domestic Resource Mobilization Trust Fund (DRMTF)**
- **Support to enhance transparency and exchange of information (EOI) for tax purposes**
  - Anticorruption Policy: Enhancing the Role of the Asian Development Bank in Relation to Tax Integrity
  - Regional Technical Assistance: Enhancing transparency and exchange of information (EOI) for tax purposes
  - **Knowledge and Support Technical Assistance on Enhancing Tax Transparency of ADB Developing Member Countries**

# Technical Assistance Projects

Country programs 2013-2017

## Tax Policy:

- Strengthening Tax and Fiscal Policy Capacity for Inclusive Growth Resource, Philippines, launched in 2016
- Reforming the System of Personal Income Tax and Social Security Contributions, People's Republic of China, launched in 2017

## Tax Administration Modernization:

- Enhancing Tax Administration Capacity, Maldives, launched in 2013 (JFPR)
- Tax Revenue Administration Modernization and Policy Improvement in Local Governments, Indonesia, launched in 2015 (Switzerland)

## ICT for Tax Administration

- Transparency and Efficiency in Public Financial Management, Mongolia, launched in 2014 (JFPR), 2017
- Strengthening Information and Communication Technology Systems for Efficient and Transparent Public Investment and Tax Administration , Mongolia, 2017

## Human Resource Management and Capacity Development

- Supporting Capacity Development for the Bureau of Internal Revenue, Philippines, launched in 2013 (JFPR)

# International Tax Workshops

2013-now

## International Cooperation and Exchange of Information

- Global Forum Regional Training Seminar on Exchange of Information for Tax Purposes, Manila, 2013
- Cooperating to Combat Tax Evasion, Tokyo, 2015
- Global Forum and OECD workshop on Automatic Exchange of Information, Manila, 2015
- Fundamentals of Effective Exchange of Information for Tax Purposes, Phnom Penh, 2015
- Fundamentals of Effective Exchange of Information for Tax Purposes (advanced), Manila, 2015
- Workshop on Detecting Tax Evasion, Tokyo, 2015
- ADB/OECD/SGATAR Workshop on Tax Evasion: Investigation and Compliance Strategies, Tokyo, 2016
- Global Forum Seminar on Beneficial Ownership, Manila, 2017

# International Tax Workshops

2013-now

## BEPS and Domestic Resource Mobilization

- ADB-OECD Asia-Pacific Regional Meeting of the Inclusive Framework on BEPS Implementation, Manila, 2016
- ADB/OECD/SGATAR Strategic Workshop on Strengthening Tax Policy and Administration Capacity to Mobilize Domestic Resources, Tokyo, 2017
- ADB/OECD/SGATAR Workshop on taxation of the digital economy, Tokyo, 2017
- OECD-ADB Train the Trainers BEPS and Transfer Pricing, Manila, 22-24 November 2017

## ICT for Tax Administration

- Knowledge Sharing Workshop on Electronic Tax Administration, Manila, 2014

## Anti-corruption and Governance

- ADB-ADBI Forum on Governance and Institutions (Domestic Resource Mobilization), Tokyo, 2016
- UNSW-ADB-ADBI Forum on Tax and Corruption, Sydney, 2017

## Tax Policy and Revenue Statistics

- Framing Seminar on Revenue Statistics, Seoul, 2015
- IMF-ADB Capacity Building Seminar for tax policy and administration officers on “Medium Term Revenue Strategy, Manila, 1-2 December 2017
- Revenue Statistics in Asia-Pacific Technical Workshop, Suva, Fiji, 7-8 December 2017

# International Tax Workshops

Planned events - 2018

## BEPS and Domestic Resource Mobilization

- Taxation of the Digital Economy, ADBI Tokyo, 3Q 2018

## International Cooperation and Exchange of Information

- GF/ADB/PITAA/PFTAC seminar to Pacific Islands (Last Mile) Increasing effectiveness of exchange of information for tax purposes, Nadi, Fiji, 2Q 2018
- High Level EOI and transparency Event to be followed by technical workshop, Manila, 2Q 2018

## Tax Policy and Strategy

- ADB/OECD/ADBI Workshop on Tax Policy for DRM, ADBI/Tokyo, 20-23 February 2018

## Tax Audit and Investigation

- Heads of tax audit and investigation meeting (2-3 days), Manila, 3Q 2018

## VAT and Fraud

- ADB / OECD / WB collaboration on VAT fraud workshop, Manila, 3Q 2018



# Eligible areas for support from the DRM Fund

## **A. Revenue policy:**

- a) Strengthen broad-based, simple, fair, comprehensive, and neutral revenue systems; improve the quality of tax legislation and regulations; introduce new taxes; and curb wasteful tax incentives.

## **B. Revenue administration:**

- a) Improve tax compliance; reduce tax avoidance; improve enforcement capacity and oversight mechanisms, including strengthening tax audit and arrears collection capacity; strengthen control and risk management instruments; and improve taxpayer services; and
- b) Enable efficient, effective, and transparent tax administration by streamlining business procedures, electronic tax administration, and effective human resource management.

## **C. International taxation and international cooperation:**

- a) Reduce tax impediments to cross-border trade and investment by eliminating double taxation and improve dispute resolution mechanisms;
- b) Enhance the integrity of tax systems with improved information exchanges on tax matters to prevent cross-border tax avoidance and evasion; and
- c) Promote cross-country collaboration on international taxation.

## Eligible areas for support from the DRM Fund

### **D. Administration data and information:**

- a) Increase the exchange of information on revenue statistics, benchmarks, and good practices; and advance tax administration diagnostic analysis.

### **E. Others:**

- a) Support the work, and capacity enhancement, of regional tax associations (e.g., the Study Group on Asian Tax Administration and Research); and
- b) Ensure all additional DRM-related initiatives that fall within the relevant country partnership strategies are in alignment with Strategy 2020, the upcoming strategy being developed by ADB for 2030, and the Addis Tax Initiative.

## Eligible areas of Proposed Knowledge and Support Technical Assistance on Enhancing Tax Transparency of ADB Developing Member Countries

ADB will support DMCs to

- join the Global Forum and implement EOIR
- obtain and maintain a satisfactory rating from the Global Forum
- commit to implement AEOI
  - become a signatory of Multilateral Convention on Mutual Administrative Assistance in Tax Matters
  - put in place the information technology infrastructure for AEOI and elements of BEPS
- participate in the BEPS Inclusive Framework

# Capacity development needs in the Asia-Pacific region

Capacity development need are assessed through: specific requests from countries, country assessments, bi-lateral meetings and a survey conducted over the last few months.

## **Survey results (30 countries) –**

### **Areas of general high concern:**

- Tax reform generally
- International tax issues
- Tax treaties
- Business process improvement
- Risk profiling for audit
- Audit procedures
- Dispute resolution
- ICT for tax administration
- Training
- Human resources
- Internal controls

## **Examples of specific concerns:**

### **Pacific region:**

- Staff skilling/procedures
- Introduce new taxes (IT, VAT)

### **South Asia:**

- Anti-money laundering
- Taxpayer service

### **Central/West Asia:**

- Funding to attend workshops
- Tax policy analysis

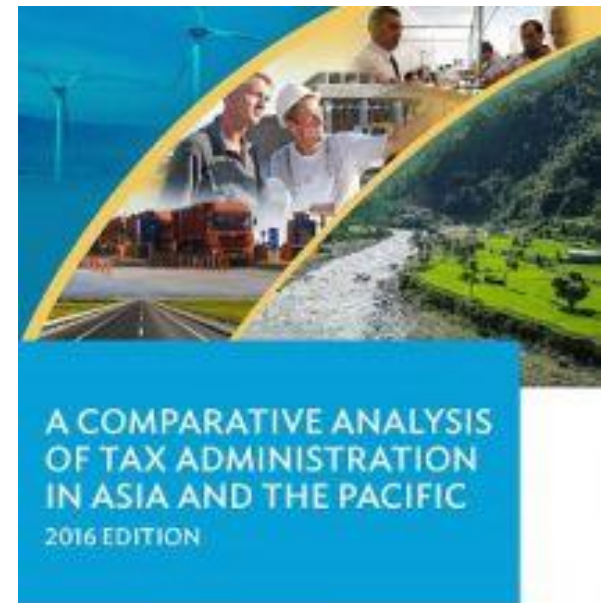
### **South East Asia:**

- Process improvement
- Tax policy analysis

# A Comparative Analysis of Tax Administration in Asia and the Pacific

ADB published *A Comparative Analysis of Tax Administration in Asia and the Pacific* in January 2017, which has analyzed the functions and performance of tax administration including Information Gathering and Search Powers in Asia-Pacific.

<https://www.adb.org/publications/comparative-analysis-tax-administration-asia-pacific-2016>



ASIAN DEVELOPMENT BANK



# ADB's Comparative Series- 3<sup>rd</sup> Edition

- Survey form referred to ADB representatives in 32 economies in late-June/ early July 2017.
- Coverage objective is to include all Asian economies to West Asia.
- Survey is based ISORA\*\* -an international survey platform to collect information & data on tax & customs administration.
- Survey data will be captured on a shared database.



(\*\*) ISORA- IMF, OECD, IOTA & CIAT.

# Questions? or Expression of Interest

Please contact:

*for Domestic Resource Mobilization Trust Fund*

Yuji Miyaki ([ymiyaki@adb.org](mailto:y Miyaki@adb.org))

*for Proposed Knowledge and Support Technical Assistance on Enhancing Tax  
Transparency of ADB Developing Member Countries*

January A. Sanchez ([jsanchez@adb.org](mailto:jsanchez@adb.org))

ADB's Governance Team

w: <http://www.adb.org/sectors/governance/main>

f: <https://www.facebook.com/GovernanceTG/>

e: [governance@adb.org](mailto:governance@adb.org)

t: [https://twitter.com/adb\\_governance](https://twitter.com/adb_governance)