

# TAX INSPECTORS WITHOUT BORDERS

## Auditing value added tax on digital trade

### What is Tax Inspectors Without Borders?

Launched in 2015 at the third Financing for Development Conference in Addis Ababa, [Tax Inspectors Without Borders](#) (TIWB) is a joint initiative of the Organisation for Economic Co-operation and Development (OECD) and the United Nations Development Programme (UNDP) designed to support developing countries in building tax audit capacity. It is a unique approach to capacity building that embeds expert tax auditors in developing country tax administrations to provide practical, hands-on assistance on actual tax audits.

The initiative underpins the OECD/G20 Base Erosion and Profit Shifting (BEPS) Actions as part of a broad international effort to strengthen developing countries' ability to effectively tax multinational enterprises.

Interested host administrations can request TIWB assistance by completing an online [Assistance Request Form on the TIWB Portal](#).

### TIWB for Auditing VAT on Digital Trade

TIWB extends its activities to support developing countries efforts to ensure the **practical implementation of the international standards on Value Added Tax (VAT)\* on digital trade**. Pilot programmes are designed to utilise the key elements of the TIWB approach to provide a hands-on, learning by doing approach, where experts work side-by-side with the tax officials in the host administration.

Such TIWB-VAT pilot programmes will incorporate, as appropriate, elements traditionally covered under the TIWB framework on:

- Offering support on an individual audit case basis and assisting in building audit capacity
- Working with taxpayer-specific data and confidential information
- Providing support in the field through TIWB experts

Each demand-driven programme will be subject to bespoke terms of engagement set bilaterally to accommodate the specific circumstances of the parties involved. Any work undertaken will complement and be co-ordinated with the OECD's work on VAT policy and administration, including through the Global Forum on VAT.



\*The terms “value added tax” and “VAT” are used to refer to any national tax by whatever name or acronym it is known such as Goods and Services Tax (GST) that embodies the basic features of a value added tax, i.e. a broad-based tax on final consumption collected from, but in principle not borne by, businesses through a staged collection process, whatever method is used for determining the tax liability (e.g. invoice-credit method or subtraction method).

## How does it work?

Interested host administrations can request TIWB-VAT assistance by completing an online [Assistance Request Form](#) which allows the TIWB Secretariat to match an appropriate expert from its network of partner administrations or the TIWB roster of experts.

TIWB-VAT programmes are flexible and tailored to a country or jurisdiction's specific needs. Experts will have experience in conducting audits on VAT, preferably in the area of digital trade and with respect to non-resident taxpayers, and in assisting the development of general audit approaches (e.g. risk assessment, case selection, audit planning).

It should be noted that TIWB experts are not a substitute for local staff nor deployed to carry out auditing VAT work where no host administration personnel are involved. Support provided by TIWB experts is limited to coaching/advising local officials/auditors.

It is anticipated that TIWB-VAT programmes will involve periodic assistance, composed of several one- or two-week onsite missions over a span of **18 to 24 months**, including additional remote assistance when required.



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

- ✓ Experience in offering support on an individual audit case basis, as well as assisting in building audit capacity
- ✓ Experience in assisting with VAT policy design, legislation and administrative guidance is preferable
- ✓ Experience in providing training to tax officials.
- ✓ Experience working with taxpayer-specific data and confidential information
- ✓ Ability to use online tools with ease, such as online survey tools.
- ✓ Fluency in the use of administrative software like Microsoft Word, Excel, and PowerPoint.
- ✓ Fluency in English, French and/or Spanish.

## Confidentiality

TIWB experts are directly involved in activities of the host administration, which in most cases require them to have access to confidential tax information relating to individual taxpayers. This position raises issues of confidentiality and conflict of interest that must be addressed in the programme's terms of reference and will be managed wherever possible prior to, during and upon completion of each TIWB programme.

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

## Funding

The TIWB Secretariat secures funding for all or part of the TIWB programme costs with the support of its network of partner administrations and/or donors. Programme funding can be further complemented by the OECD and UNDP.

On the basis of impact from an initial round of programme implementation, subsequent programme cost-sharing should be considered.

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



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[secretariat@tiwb.org](mailto:secretariat@tiwb.org)