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 capacity in the area of international taxation. TIWB experts work with host administration officials to provide practical, hands-on assistance through a “learning by doing” approach 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.

Implementation of the global minimum tax in developing countries

To put a floor on tax competition on corporate income tax, a global minimum tax of 15% on large multinational enterprises (MNEs) is being widely adopted across the world. This means that large MNEs will no longer be able to avoid tax by locating their profits in tax havens, as any low tax income would be subject to a “top up tax”. Many countries are now in the process of putting the minimum tax into law, including the European Union.

It is estimated the global minimum tax will generate approximately USD 220 billion in additional revenue. The global minimum tax is a major opportunity for developing countries to jump start their domestic resource mobilisation, but they need capacity building support to do it.

The programmes will be 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. TIWB-Global programmes will incorporate, as appropriate, elements traditionally covered under the TIWB framework on:

→ Offering advice and analytical services, in some cases involving access to information concerning some taxpayers; and

→ Providing support in the field to ministries of finance and tax administrations through TIWB experts.

Each project will be subject to bespoke terms of engagement set bilaterally to accommodate the specific circumstances of the parties involved. Any work undertaken will be co-ordinated with other development partners as needed.
How does it work?

Host administrations request assistance on implementation of the global minimum tax by completing an online Assistance Request Form. The Secretariat then sources an appropriately qualified expert from its network of partner administrations or the TIWB Roster of Experts.

TIWB experts will assist developing countries in the audit and application of global minimum tax rules in developing countries. Experienced experts will be deployed to work on some sensitive policy matters including assessing tax incentives, effective tax rate calculations, drafting guidance, law and regulations to implement the global minimum tax rules as well as domestic top-up taxes. They are not a substitute for local staff, nor deployed to carry out work where no host administration personnel are involved. Support provided by TIWB experts is limited to coaching/advising local officials.

TIWB programmes generally involve periodic on-site assistance, composed of several one or two-week missions over a span of 18 to 24 months, providing additional remote assistance when required.

Protecting confidentiality and expert liability

In relation to TIWB assistance, governments in developing countries may provide access to taxpayer information to analyse tax incentives and assess effective tax rates. Confidentiality issues may have to be addressed upfront in the same manner as they are addressed for other TIWB programmes where foreign experts offering assistance sign the necessary confidentiality agreements.

Roster Experts taking on TIWB-Globe assignments are expected to have:

- Experience in base erosion and profit shifting and aggressive tax planning.
- Experience in exchange of information and tax policy analysis.
- Experience in legal design or economic analysis of tax measures related to cross-border corporate transactions.
- Good knowledge of instruments and standards in the tax area, including the GloBE rules.
- Substantial experience in working on legislation and/or policy design related to international corporate taxation or private sector tax planning for multinational enterprises

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.