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. TIWB experts work with host administration officials in developing countries to provide practical, hands-on assistance through “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 (MNEs). TIWB contributes to the United Nations’ Financing for Development agenda and supports progress towards the Sustainable Development Goals aimed at strengthening domestic resource mobilisation.

Interested host administrations can request TIWB assistance by completing an online Assistance Request Form on the TIWB Portal.

TIWB pilot programmes on tax and natural resource contracts

TIWB pilot programmes can support developing country tax administrations in the following ways:

Extractive industries contract negotiation and contracting

➢ One of the areas that has been identified as a major concern for developing countries has been the lack of capacity support for government officials during major extractive industries’ investment contract negotiations. State negotiators often face both an information and experience deficit when negotiating with MNEs and state-owned enterprise investors. Examples of problematic areas include overly generous tax concessions granted to the investor, the provision of unrestricted fiscal stabilisation clauses and a lack of awareness of how tax planners can use such agreements to create new tax loopholes.

➢ TIWB pilot programmes will seek to provide capacity and technical support for developing country governments in extractive industry contract negotiations in order to rebalance the scales. This new area of support will first provide expertise under pilot programmes maintaining the ‘learning by doing’ approach, with the view of offering the assistance more widely to interested countries following the pilot phase.

Focus on extractive industry tax audits

➢ Specialised tax auditors with expertise and experience in undertaking audits in the mining and hydrocarbon sectors will be identified to engage on natural resource-specific audits. In addition, there is considerable demand for non-tax industry experts who will work alongside and collaborate with the audit expert to deliver a comprehensive programme of capacity support and address industry-specific issues encountered in audit situations.

➢ This work is further to TIWB audit programmes focussed specifically on the extractives sector.
How does it work?

Host administrations request assistance by completing an online Assistance Request Form that is submitted to the TIWB Secretariat. The Secretariat then sources an appropriately qualified expert from its network of partner administrations or the TIWB Roster of Experts.

TIWB experts 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**, supplemented by remote assistance, when required.

**Roster experts are expected to have:**

- Substantial, proven experience in international taxation, natural resources contracts, and extractive industries
- Experience in negotiating and/or drafting commercial contracts settlements or arbitration associated with taxation clauses in natural resource contracts
- Substantial experience in working on legislation and/or policy design related to taxation and natural resources contracts
- Experience in drafting administrative papers related to taxation and natural resources contracts

Confidentiality

TIWB experts are directly involved in activities of the host administration, which in most cases requires them to have access to confidential 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 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.