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 (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.

Practical implementation and effective use of Country-by-Country reporting

BEPS and abusive transfer pricing practices have been challenging for many countries, especially developing nations with limited access to information from MNEs. Country-by-Country (CbC) reporting (BEPS Action 13) allows tax authorities to obtain useful information on MNEs’ operations to assess transfer pricing and other BEPS-related risks, and to make determinations about where audit resources can most effectively be deployed.

Given its importance as a tax transparency tool, CbC reporting has been identified by developing countries as a high priority. Some developing countries have made substantial progress in implementing CbC reporting. However, many others do not yet have in place all the elements to enable them to receive CbC reports.
How does it work?

Host administrations request assistance for practical implementation and effective use of CbC reporting pilot programmes 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 will assist developing countries in the practical implementation and effective use of CbC reporting. Experienced experts will be deployed to work closely with tax authorities, providing guidance on collecting and handling CbC reports. 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.

There are ongoing capacity building efforts aimed at helping developing countries implement the BEPS Action 13 standard so that they can receive CbC reports. TIWB programmes will complement those efforts by helping with the practical implementation and effective use of the reports.

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 taking on TIWB-CbCR assignments are expected to have:

- Experience in BEPS and aggressive tax planning
- Experience in the use of CbCR information for risk assessment purposes
- Experience in exchange of information and tax policy analysis
- Experience working with taxpayer-specific data and confidential information
- Experience in legal design or economic analysis of tax measures related to cross-border corporate transactions
- Substantial experience in working on legislation and/or policy design related to international corporate taxation or private sector tax planning for MNEs

Confidentiality

TIWB experts are directly involved in activities of the host administration while providing assistance on casework, which generally requires them to have access to confidential information relating to individual taxpayers. The confidentiality and conflict of interest aspects are addressed in a 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 the host administration and the TIWB expert signing a confidentiality agreement.

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.