



THE COMMONWEALTH ASSOCIATION OF TAX ADMINISTRATORS

Commonwealth Secretariat, Marlborough House, Pall Mall, London, SW1Y 5HX
Tel: (44) 020 7747 6473 • Fax: (44) 020 7747 6225
Email: cata@commonwealth.int • Web: www.cata-tax.org

(Annex – II)

Twenty-Ninth CATA Annual Technical Conference Yaoundé, Cameroon 9th to 14th November 2008

Brief on Background Papers

Members are requested to kindly furnish background papers – not exceeding four pages each – on each of the two topics for the conference. Background papers provide useful introductory material for conference delegates on the state of affairs and point of view of contributing countries as well as help CATA Secretariat in identifying countries, which can be invited to make technical presentations at the conference. Countries so selected to make presentations will thereafter be invited to furnish more focused and comprehensive presentation papers on specialized sub-topics allocated in each case. As such, these background papers requested for present purposes should cover only in very broad outline the issues listed below.

Please also bear in mind that:

- Member countries of CATA stand at different levels of economic development and therefore some leading questions below may not apply in every case.
- Some peculiar circumstances relevant to a few members only may not have been covered in this document. These can certainly be included in background papers.
- The questionnaire is simply meant to stimulate the thinking process and to provide rough guidelines for drafting background papers. **Additional material on the two topics will be very welcome.**

Discussion issues for Topic 1

Role of taxation in economic development

1. List 5 strong arguments against the use of tax incentives
2. List 3 main arguments in support of tax incentives
3. Do you see merit in the relevance of tax incentives for economic objectives, such as promotion of savings?
4. Do you consider tax incentives to be an effective fiscal tool for the achievement of social welfare objectives such as equitable distribution of wealth and how does your country reconcile the requirement for increased mobilisation of tax revenues vis-à-vis tax foregone through incentives for investment?
5. In your country experience have most tax incentives historically granted been driven purely by objective socio-economic considerations or under political pressures not necessarily based on best economic choices?
6. Do you see a change in emphasis or perception of the role of tax incentives with the changed global economic environment over the past two decades? Give brief reasons in support of your contention
7. In your opinion are the impact and reasons for granting tax incentives different for developed and developing countries?
8. Do you consider tax amnesties to be a positive tool in the hands of tax policy makers or an indirect admission of failed or bad fiscal governance in previous years?
9. Are you satisfied with the monitoring mechanisms for economic benefits and cost of incentives, and if so what lessons have you learnt from your country experience?
10. Discuss any additional aspect of tax incentives not covered by preceding questions.

Discussion issues for Topic 2

Information technology - opportunities and challenges for tax administrations

1. Identify the 3 biggest challenges posed by information technology for tax administrations.
2. Identify the 3 most promising opportunities that information technology offers to tax administrations for enhancing efficiency and productivity.
3. Would you consider the present level of automation of your tax administration to be at par or behind general market conditions? If you feel it lags behind, state reasons and important steps that you recommend for catching up with market levels.
4. Does your tax administration use information technology in the daily management of taxes and duties? If yes, which are the 3 main areas of usage?
5. Does IT provide improved revenue collection opportunities through improved risk identification and audit selection; easier detection of stop-filers and non-filers; better debt management and recovery; reduced administrative expenses, etc?
6. Does IT help in improved customer service and voluntary compliance because of improved access to information; reduced compliance burden; more certainty and consistency in processes and procedures, etc?
7. In your country experience, how can IT tools contribute more to improved communications between tax authorities and other government departments/agencies, as well as the private sector through electronic transfer/exchange of data
8. Information technology offers an opportunity for increased transparency in tax administration operations as well as the conduct of tax agents thereby reducing opportunities for fraud and corruption. What is your country experience in this regard?
9. Major challenges faced in IT operations include security challenges from hostile elements in the internet environment, accuracy & privacy of client information, meeting taxpayer expectations as the quality of online products and services continually improves at a rapid pace such as speed of downloads, etc. Please state your country experience on such issues.
10. Discuss any additional aspect of tax incentives not covered by preceding questions.