

# TAX



## Transparency Principles for Tax Policy and Administration



1. Governments and national authorities should follow procedures that recognize stakeholders have a right to access information to enable them to reach judgements and participate in consultations, about whether a tax system is meeting stated objectives and working in the public interest. **(BASIC)**.



2. Governments should publish clear and measurable objectives for the tax system on a timely basis, usually annually for each budgeting and reporting period. **(BASIC)**.



3. The objectives of the tax system should be supported by timely and detailed projections of future tax revenues for each annual budgeting and reporting period, along with the sources of information and assumptions underlying all estimates and projections. **(BASIC)**.



4. All taxes and their administrative framework should be codified in law, with changes in policy and substantive administration being made through a legislative process, that involves appropriate meaningful institutionalized consultation with stakeholders and civil society. **(BASIC)**.



5. Taxpayers should be able to access clear, free and accurate information and advice that will maximize their ability to comply with the tax laws of a jurisdiction. They should also have the right to access a clearly set out appeal process and redress mechanism in relation to any liabilities, or judgements against them, which they believe to be incorrect. **(BASIC)**.



6. All taxpayers have a right to confidentiality with regard to their affairs unless specific circumstances require otherwise. **(BASIC)**.



7. Governments should provide the contextual information needed to place taxation within a broader fiscal, economic, and social framework. **(BASIC/INTERMEDIATE)**.



8. Governments should publish a set of accounts on taxes collected at least once a year that includes a discussion of major deviations from budgeted amounts by type of tax, with reference to numerical data and previously published budgets, as well as commentary on whether the tax system has successfully met its stated objectives in the light of this data. **(BASIC/ INTERMEDIATE)**.

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9. Tax administration - government relations should be subject to the rule of law and tax administrators should be accountable to executive and or legislative branches of government. **(BASIC/ INTERMEDIATE)**.



12. Governments should seek to examine the impact of and publish information on the amount, sectors and beneficiaries of tax incentives – such as reliefs, allowances and exemptions, in terms of their rationales, costs, benefits and effectiveness. **(INTERMEDIATE/ ADVANCED)**.



10. Where appropriate, governments should collaborate with international and regional financial institutions and tax administrators to meet their international reporting obligations. More generally they should seek to engage with international efforts (inclusive of civil society) to increase revenue transparency, improve administrative practice and participate in research on the impact of tax policies across countries and regions. **(INTERMEDIATE)**.



13. The data underpinning tax transparency should be subject to verification by an independent agency that audits, evaluates, and reports on the accuracy, quality and fairness of that data. **(ADVANCED)**.



11. Governments should evaluate and report on the extent to which taxes that are legally owed go unpaid, as a first step in preparing a tax gap estimate (see principle 14). **(INTERMEDIATE/ ADVANCED)**.



14. Governments should aspire to work with international bodies to periodically evaluate the performance of their tax system by applying advanced assessment tools such as tax gap analyses and tax spillover assessments, to enhance their own and stakeholder understandings of the risks and vulnerabilities within the tax system, and to inform potential reform debates. **(ADVANCED/ ASPIRATIONAL)**.