



Improving Tax Environment Task Force

Study Report

Nur-Sultan Action Plan (2022-2024)



September 2024

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Chapter 1

Introduction

1.1 Background of the Report

On 7 to 9 September 2021, the Second Belt and Road Initiative Tax Administration Cooperation Forum (BRITACOF) was hosted online by the State Revenue Committee of the Ministry of Finance of Kazakhstan. As one of the significant outcomes of the BRITACOF, the *Nur-Sultan Action Plan (2022-2024)* was officially released. According to the arrangements of the *Nur-Sultan Action Plan (2022-2024)*, four Task Forces have been set up, which focus on raising tax certainty, promoting tax administration digitalization, improving tax environment, and reinforcing capacity building of tax administration.¹

In recent years, in response to the call of the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM), relevant parties have made remarkable achievements in formulating tax laws, providing tax preferential policies, streamlining procedures and serving the public, optimizing services, implementing smart governance, and enlarging openness and sharing. We conducted a questionnaire and compiled this report to comprehensively present the practices and achievements on improving tax environment among the Belt and Road Initiative (BRI) jurisdictions.

1.2 The Importance of Improving Tax Environment

A good business environment reflects the soft power of the economy of a jurisdiction and enhances the comprehensive competitiveness of a jurisdiction. Playing an important role in the business environment of a jurisdiction, the tax environment not only embodies the harmony between the tax administrations and the taxpayers, but also affects the investment and decision-making of business entities. Against the backdrop of a global economic downturn, fostering a world-class, market-oriented business environment governed by a sound legal framework means an effective measure to promote tax compliance, improve investment structure and stabilize economic operation.

The tax environment represents institutional transaction costs and policy transparency and predictability of the operation and development of various enterprises, and it plays an important role in the flow of international investment. Continuously improving the tax environment helps boost the confidence of enterprises in the long-term business and investment and foster domestic economic growth. According to research reports of the World Bank, a good business environment increases investment growth rate by 0.3% and the Gross Domestic Product (GDP) growth rate by 0.36%.

1.3 Previous Work Conducted

The Improving Tax Environment Task Force has launched a series of activities based on goals and requirements of improving tax environment.

¹ <https://www.britacom.org/news/2ndOnlineMeeting/>



1.3.1 Organizing a Series of Theme Day events

Since 2022, the BRITACOM has innovatively organized a series of Theme Day events under the theme of *Better Connection for a Better Future*. In the form of an online seminar and a themed display webpage, a theme-day activity focuses on a country or region, and comprehensively shares information on tax policies, tax administration, tax services, tax preferential policies, etc. for attracting foreign investment. Before the seminar, on the theme-day-activity webpage of the official website of the BRITACOM, various forms such as promotional videos and policy compilations were uploaded to display the tax systems and services of the country or region. After the seminar, speech scripts and video materials of the speakers were uploaded to the corresponding sections of the webpage, providing access for visitors to review the seminar and understand the tax policies of the country or region.²

Currently, the BRITACOM has successfully organized seven Theme Day events on China, Southeast Asia, Africa, Europe, the Middle East, Latin America, and Tajikistan, covering some major BRI jurisdictions. The forms of activities are diverse, including displays such as videos and files on the webpages, as well as dynamic forms such as keynote speeches and interactive question and answer session. Through targeted invitation and website promotion, the participation and influence of the Theme Day events are enlarged and deepened. About 800 people have participated in the seven seminars, and representatives were from tax administrations, enterprises, academy and other fields.

1.3.2 Publishing the BRITACOM Update on Improving Tax Environment

The BRITACOM releases update on improving tax environment on its official website. So far, 11 updates have been published, covering 11 economies, i.e. Georgia, China, Malaysia, Hong Kong, China, Singapore, the United Kingdom, Brazil, South Africa, Russia, Macao, China, and Algeria. These reports showcase the best practices of economies with different levels of development in improving tax environment, and provide useful information for mutual learning among various parties.³

Table 1 Main Ideas of the BRITACOM Update on Improving Tax Environment

Title	Main Idea
Georgia: The Reform on Tax Administration	Georgia’s efficient tax policies, streamlined administrative procedures, and active communication with taxpayers.
China: A Study on China’s Tax Environment from 2016 to 2020	The approaches, achievements and trends on improving the tax environment in China.
Malaysia: Measures to Improve Tax Certainty	Measures such as advance ruling and advance pricing arrangement in Malaysia.
Hong Kong, China: Strengthening Services for Taxpayers and Improving Tax Compliance through Digital Tax Administration	Hong Kong, China’s experience in applying digitalized tax administration to enhance taxpayer services and improve tax compliance and the challenges from digitalization, as well as how tax departments evaluate and formulate countermeasures in response to potential risks and international trends.

² <https://www.britacom.org/zt/ThemeDay/FIRSTEVENT/>

³ https://www.britacom.org/gkzljxz/Update_on_Improving_Tax_Environment/



Singapore: Beyond Tax Administration	Innovative measures on digital reform in Singapore.
The UK: Experience in the Digitalization of Tax Administration and Possible Direction for Further Reform	How the His Majesty's Revenue and Customs (HMRC) provides employment supporting plans and promotes digital reform of tax administration.
Brazil: Establishing Cooperation Compliance in the Tax Environment	How Brazil makes plans for cooperation compliance.
South Africa: The Evaluation and Monitoring of Taxpayer Compliance	The capabilities of South Africa's compliance evaluation and monitoring information system to identify risks, evaluate compliance results, and provide the consistency in compliance analysis.
Russia: Tax Arrears Administration	How to ensure tax collection efficiency by simplifying tax procedures for taxpayers and using big data.
Macao, China: Improving Work Efficiency and Urging Taxpayers to Comply with Tax Regulations	How Financial Services Bureau strives to facilitate tax affairs for taxpayers and improve tax compliance by developing and implementing online services.
Algeria: Experience of the Modernization and Digitalization of Tax	The latest changes that Algerian tax authority has seen in recent years in structural modernization and digitalization.

1.3.3 Issuing Belt and Road Initiative Tax Journal (BRITJ)

Since 2020, the BRITACOM has published 9 issues of the BRITJ. In particular, in the first issue of 2021 and the second issue of 2023, the journal focused on optimizing the tax environment. The BRITJ introduces the best practices of tax authorities, e.g. State Taxation Administration of China, Inland Revenue Board of Malaysia (IRBM), HMRC, Inland Revenue Department (IRD) of Hong Kong, China, and Federal Inland Revenue Service of Nigeria, in improving the tax environment by launching the “Spring Breeze Campaign”, improving tax certainty, and using digital technologies, etc. The BRITJ invites senior officials of the BRITACOM Member Tax Administrations, and experts from academia and agencies to write articles that cover diverse fields and embody high professionalism. This provides a platform for relevant parties of the BRITACOM to understand cutting-edge issues in improving tax environment, and exchange ideas and best practices.⁴

1.4 The Fourth BRITACOF

The Fourth BRITACOF themed “Improving Tax Environment” was convened in Tbilisi, Georgia on 11 to 13 September 2023. More than 300 delegates, including 25 heads and deputy heads of tax authorities from 32 jurisdictions and, representatives and experts from 10 international organizations and world-famous enterprises attended this event onsite and remotely, which has provided new impetus for promoting tax work and economic growth in various jurisdictions.

The Fourth BRITACOF highlighted topics such as the overall planning of improving tax environment,

⁴ <https://www.britacom.org/gkzljxz/dzqk/>



transparency of tax regulations and tax administration, reducing tax burden, streamlining tax compliance, information technology and tax environment improvement, and dispute resolution mechanism and tax environment improvement. Representatives from tax authorities, international organizations, academia and industries were invited to give keynote speeches and engage in discussions. The Fourth BRITACOF released six important achievements, i.e. *Joint Statement of the Fourth BRITACOF, Improving Tax Environment Action Plan (2023-2025)*, *Improving Tax Environment--Best Practice*, *Improving Tax Environment--Theme Day Events*, *Belt and Road Initiative Tax Administration Capacity Enhancement Group Curriculum System Version 1.0*, and *Annual Report of the BRITACOM (2023)*.⁵

1.5 The Framework of the Report

Firstly, the Report introduces the overall background, and demonstrates the achievements of the works conducted by the Improving Tax Environment Task Force, including 7 Theme Day events, 11 issues of BRITACOM Update on Improving Tax Environment, 9 issues of BRITJ, the hosting of the Fourth BRITACOF, etc.

Secondly, the Report analyzes the status quo of improving tax environment in the BRI jurisdictions through questionnaires. In order to deeply reveal the reality of improving tax environment in the BRI jurisdictions, we designed a questionnaire to understand the key factors to improve tax environment (such as formulating tax laws, providing tax preferential policies, streamlining procedures and serving the public, optimizing services, implementing smart governance, and enlarging openness and sharing), and distributed them to 58 Member Tax Administrations and Observers of the BRITACOM.

Thirdly, based on the questionnaire results, the Report sorts out the practices of reform that could serve as references to the BRI jurisdictions according to the key factors as stated above. Specifically, the practice of formulating tax laws is categorized according to the dimensions of establishing a healthy tax legal system, strictly implementing fair and civilized law-enforcement, and respecting and protecting the rights of taxpayers. The practice of providing tax preferential policies is categorized according to the dimensions of turnover tax, income tax and others. The practice of streamlining procedures and serving the public is categorized according to the dimensions of optimizing tax approval procedures, streamlining tax-related materials, and strengthening efficient collaboration among departments. The practice of optimizing services is categorized according to the dimensions of improving the convenience of tax services, standardizing social professional services, and exploring value-added applications of tax services. The practice of implementing smart governance is categorized according to the dimensions of taxpayer end, tax officials end and data sharing. The practice of enlarging openness and sharing is categorized according to the dimensions of deeply participating in global tax governance, fostering tax administration cooperation mechanism, and serving cross-border trade and investment.

Fourthly, the Report puts forward constructive suggestions for the BRI jurisdictions around key factors such as formulating tax laws, providing tax preferential policies, streamlining procedures and serving the public, optimizing services, implementing smart governance, and enlarging openness and sharing.

⁵ <https://www.britacom.org/news/4thOnlineMeeting/>

Chapter 2

Questionnaire Analysis

2.1 Background

To further present the achievements in improving the tax environment in the BRI jurisdictions after implementing the *Nur-Sultan Action Plan (2022-2024)*, we designed a series of questionnaires on the *Nur-Sultan Action Plan (2022-2024)* in combination with the questionnaire on the *Wuzhen Action Plan (2019-2021)* as well as business environment maturity assessment of the World Bank, centering on 16 aspects such as tax legislation, rights and interests protection, tax payment time, green development, gender equality, and information technology. So far, 20 BRITACOM Member Tax Administrations and Observers have participated in the questionnaire, providing a total of 455 pieces of valid information.

The questionnaires collected involve 1 from South America, 2 from Africa, 3 from Europe and 14 from Asia of the BRI jurisdictions.⁶

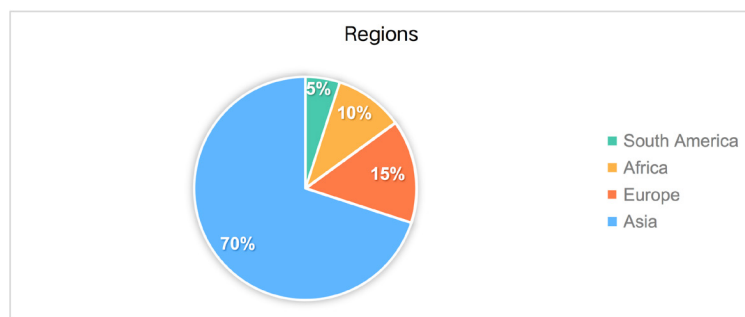


Figure 1 The Distribution of Countries and Regions Involved in the Questionnaires

Among jurisdictions involved in the questionnaires, there were 6 with per capita GDP of less than \$ 5,000, 4 with per capita GDP of \$5,000-\$10,000, and 10 with per capita GDP of more than \$10,000.⁷

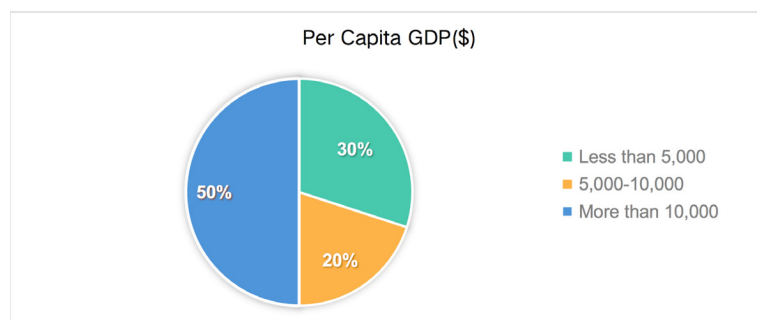


Figure 2 Per Capita GDP of Jurisdictions Involved in the Questionnaires

Among jurisdictions involved in the questionnaires, 8 cover a jurisdictional area of less than 100,000 square

⁶ Data Source: Countries (Region) Guidelines, “Going Global” Public Service Platform, Ministry of Commerce of China.

⁷ Reference: <https://www.yidaiyilu.gov.cn/dataChart?to=All>

kilometers, 6 cover a jurisdictional area of 100,000-1,000,000 square kilometers, and 6 cover a jurisdictional area of more than 1 million square kilometers.

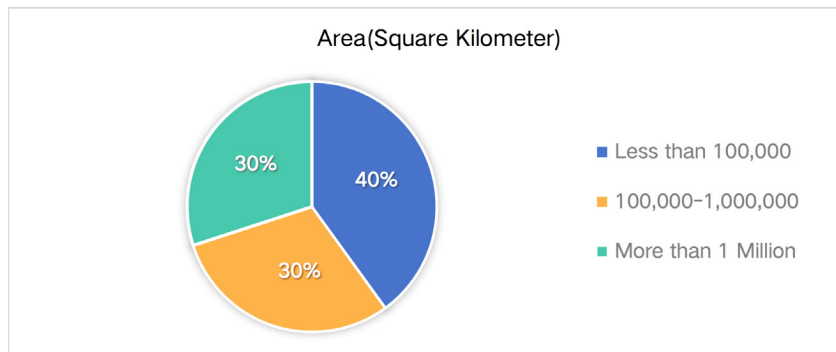


Figure 3 Area of Jurisdictions Involved in the Questionnaires

Among the responses, 4 jurisdictions have a population of less than 5 million, 8 have a population of 5-20 million, 4 have a population of 20-50 million, and 4 have a population of more than 50 million.⁸

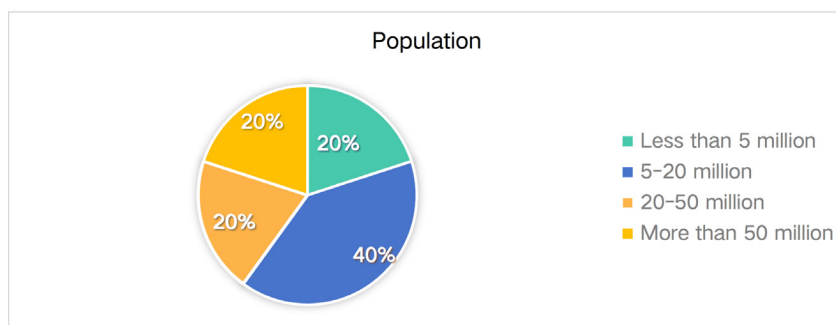


Figure 4 Population of Jurisdictions Involved in the Questionnaires

2.2 Results

2.2.1 Does your jurisdiction have specific laws and regulations for major taxes?

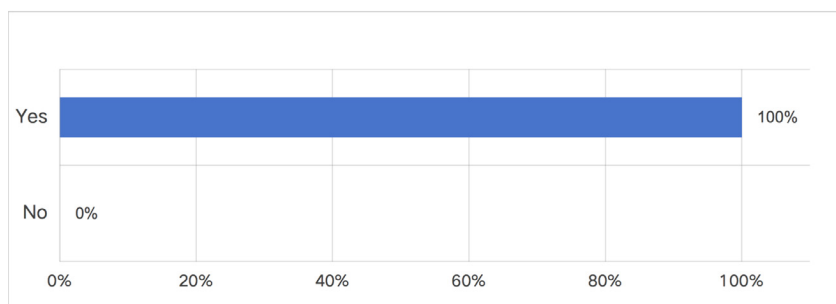


Figure 5 The Feedback on the Questionnaire (Question 1)

The results show that 100% of the surveyed economies have introduced specific laws and regulations for major taxes. Economies such as Angola, Saudi Arabia, Cambodia and the United Arab Emirates have issued common tax laws on income tax and value-added tax (VAT). Hong Kong, China implements a simple tax system without VAT or business tax. The main direct taxes are profits tax, salaries tax and property tax.

⁸ Reference:<https://www.yidaiyilu.gov.cn/dataChart?to=All>

2.2.2 Does your jurisdiction have specific laws and regulations for the tax authorities' collection duties?

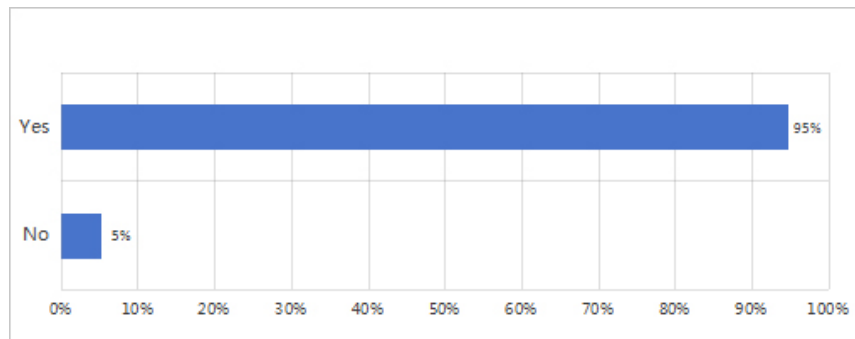


Figure 6 The Feedback on the Questionnaire (Question 2)

The results show that 95% of the surveyed economies have introduced specific laws and regulations for tax authorities to fulfill their duties. For instance, since 1974, *the Uruguay Tax Law* grants tax authorities extensive inspection and investigation powers, allowing them to request judges to take preventive measures when collecting taxes and implementing administrative tax judgments as authorized.

2.2.3 Does your jurisdiction have specific laws and regulations for the protection of taxpayers' rights?

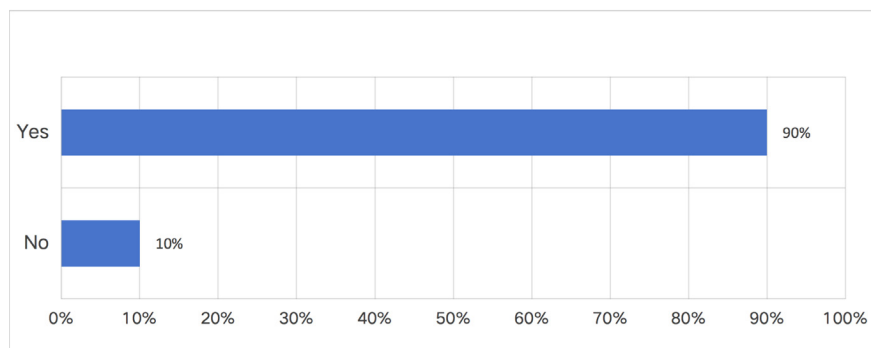


Figure 7 The Feedback on the Questionnaire (Question 3)

The results show that 90% of the surveyed economies have issued specific laws and regulations in the protection of taxpayers' rights and interests. For example, in accordance with tax laws and administrative regulations such as *The Tax Administration Law of the People's Republic of China*, China has clarified the rights and obligations of taxpayers and released *The Announcement on the Rights and Obligations of Taxpayers*. 10% of the surveyed economies have not introduced specific laws and regulations; however, they have specified provisions for the protection of taxpayers' rights and interests in other tax laws.

2.2.4 Which of the following is the most significant factor that has a fundamental impact on improving tax business environment in your jurisdiction? (multiple choice)

The results show that the four most important factors that affecting the improvement of the tax environment in a jurisdiction are others (50%), such as taxpayers' tax compliance; the lack of transparency, the stability of tax policies, and necessary/adequate legal remedies (15%); inadequate basic principles of tax law (15%); excessive discretionary power of tax law enforcement officials and arbitrary tax enforcement (5%).

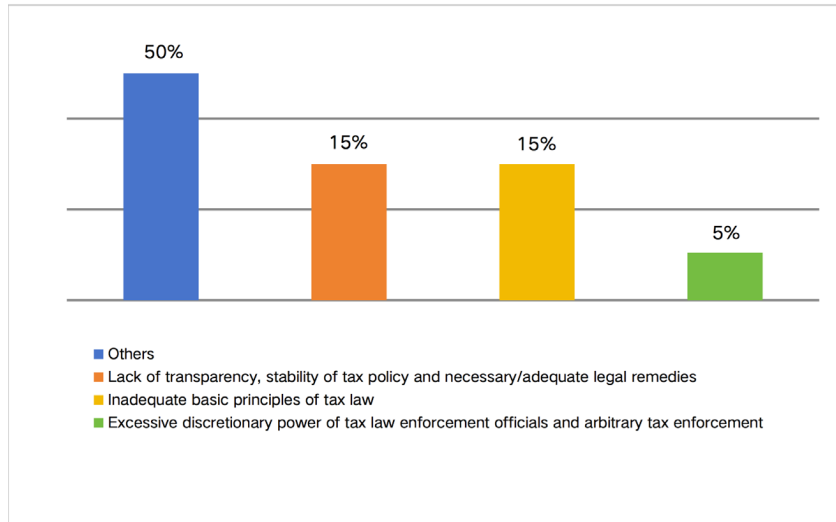


Figure 8 The Feedback on the Questionnaire (Question 4)

A good tax environment not only necessitates complete, transparent and stable tax laws and regulations, but also requires tax compliance of taxpayers as well as effective communication between tax officials and taxpayers.

2.2.5 From 2022 to 2024, which tax’s actual tax burden on taxpayers has been reduced in your jurisdiction? (multiple choice)

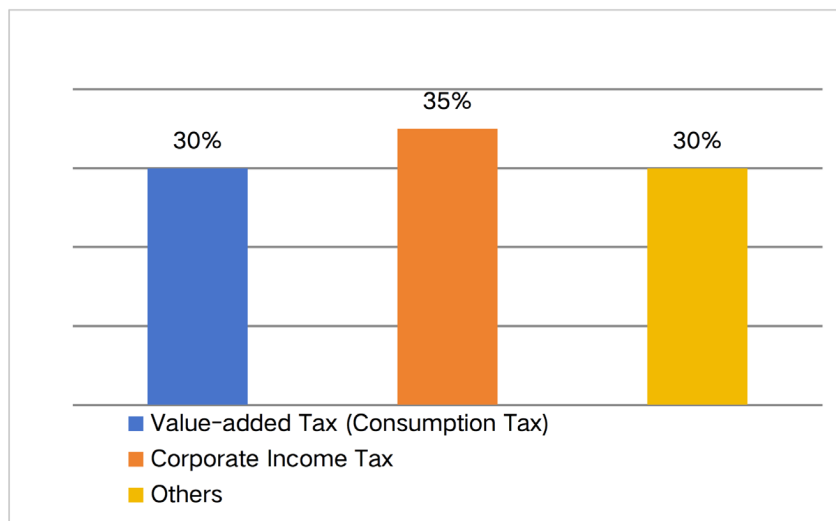


Figure 9 The Feedback on the Questionnaire (Question 5)

The results show that from 2022 to 2024, 85% of the surveyed economies reduced tax burden on taxpayers. Specific measures include reducing tax burden on taxpayers in corporate income tax through the exemption of corporate income tax and the adjustment of tax rate (35%) and reducing tax burden on taxpayers in VAT (consumption tax) through the exemption of VAT and the adjustment of tax rate (30%). For example, Greece reduces the rate of corporate income tax from 25% to 22%. An additional 30% of the surveyed economies reduce tax burden on taxpayers in other areas, including personal salaries tax (Hong Kong, China), tax on special industries (Algeria), and special tax exemptions (the United Arab Emirates).



2.2.6 Which of the following statements are applicable in your jurisdiction in terms of applying for tax incentives? (multiple choice)

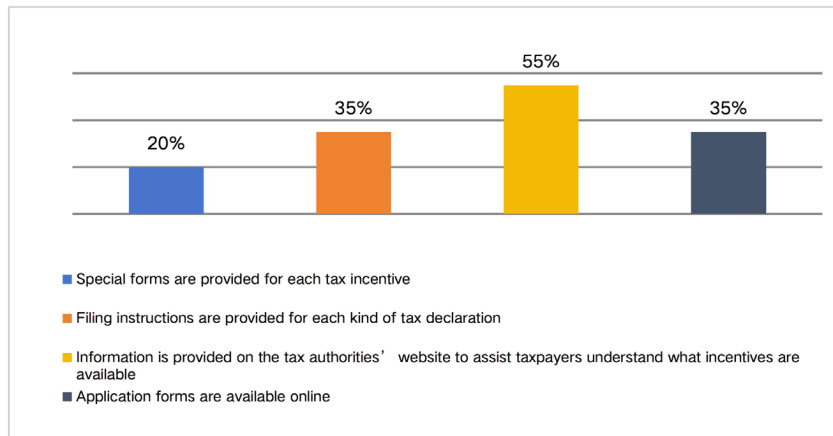


Figure 10 The Feedback on the Questionnaire (Question 6)

The results show that 95% of the surveyed economies have taken effective measures to implement the applications for tax preferential policies. Specific measures include a special form for the filing of each tax preferential policy (20%), filing instructions for each type of tax declaration (35%); information on tax preferential policies on the websites of tax authorities (55%), and online application form (35%).

Most economies have implemented tax preferential policies by enlarging the publicity, providing guidance on filling out forms, and building online declaration channels.

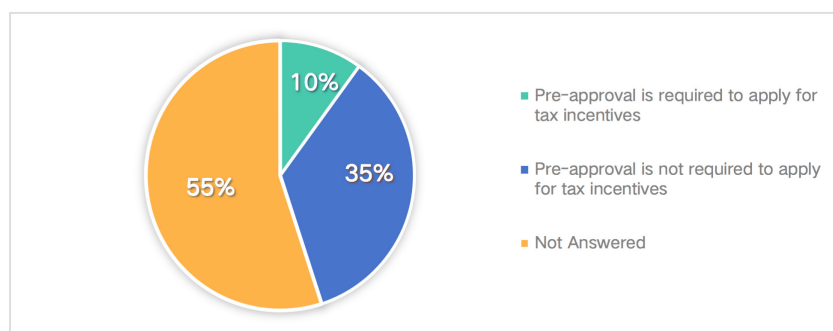


Figure 11 The Feedback on the Questionnaire (Question 6)

In addition, 10% of the surveyed economies require pre-approval to apply for tax preferential policies, 35% of the surveyed economies do not require pre-approval to apply for tax preferential policies, 55% of the surveyed economies do not clarify pre-approval procedures for applying for tax preferential policies.

2.2.7 From 2022 to 2024, what are the main measures taken by your jurisdiction to facilitate tax compliance? (multiple choice)

The results show that 85% of the surveyed economies have taken effective measures to facilitate taxpayers' tax compliance, including strengthening efficient collaboration among departments (45%), simplifying tax-related materials (35%), reducing tax approval matters (25%), organizing policy workshops, providing application information pre-filing services, and producing policy brochures, etc. (45%).

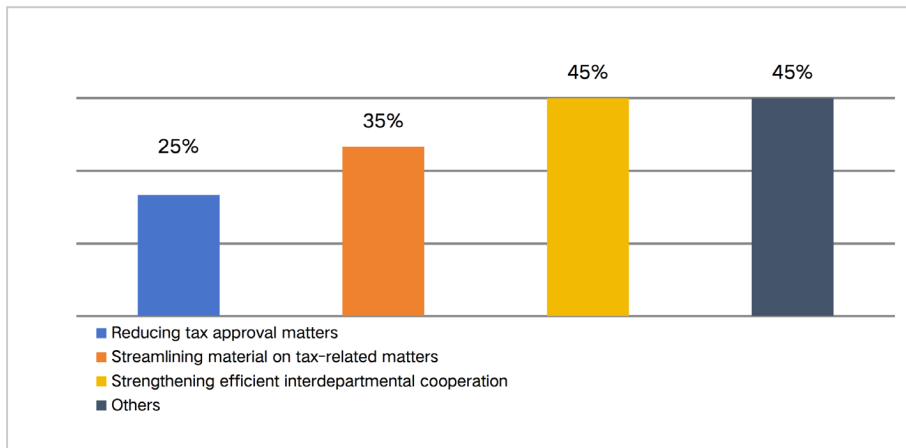


Figure 12 The Feedback on the Questionnaire (Question 7)

2.2.8 Which of the following statement is the most important factor in achieving good tax compliance in your jurisdiction? (multiple choice)

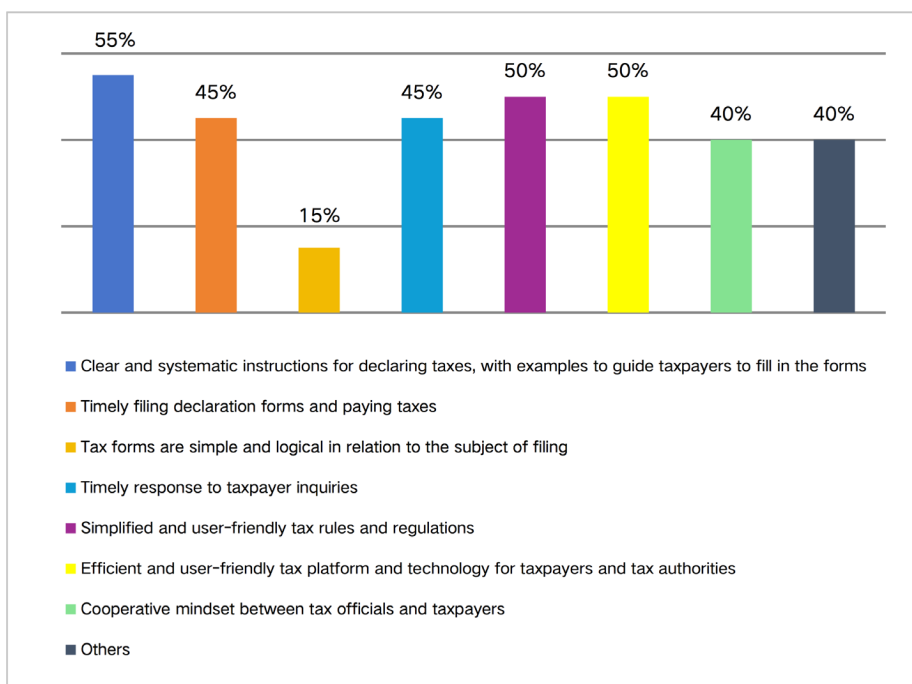


Figure 13 The Feedback on the Questionnaire (Question 8)

The results show that the most important factors that affect the improvement of the tax environment in a jurisdiction include clear and organized tax declaration instructions, providing examples to guide taxpayers to complete forms (55%); providing efficient tax platforms and technologies for taxpayers and tax authorities (50%); timely submission of tax declaration forms and payment of taxes (45%); prompt response to taxpayers’ inquiries (45%); simplified and user-friendly tax rules and regulations (50%); cooperation between tax officials and taxpayers (40%); simple and logical form for tax declaration (15%).

2.2.9 From 2022 to 2024, what are the main measures to improve tax services in your jurisdiction? (multiple choice)

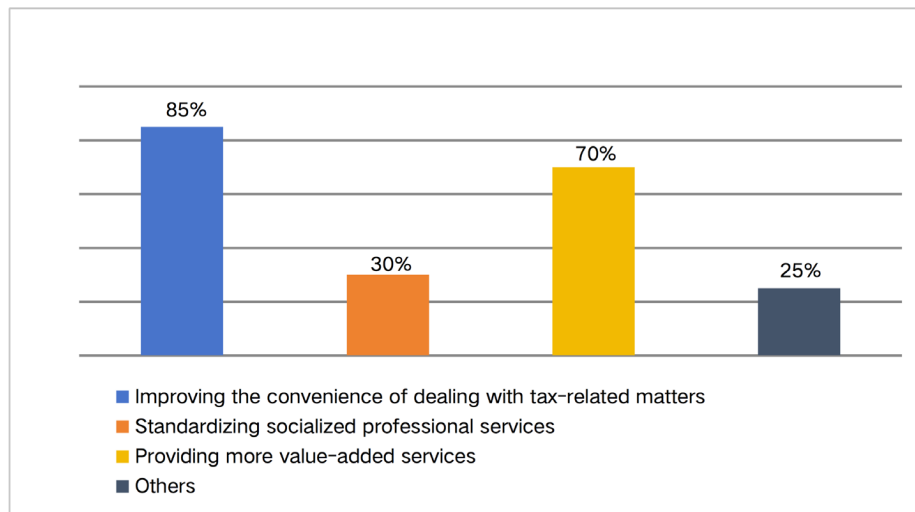


Figure 14 The Feedback on the Questionnaire (Question 9)

The results show that 90% of the surveyed economies have taken effective measures to optimize tax services, including facilitating the handling of tax-related matters (85%); standardizing social professional services (30%); providing more value-added services (70%); others, e.g. taxpayer experience program (25%).

Most economies adopt measures such as improving tax convenience, providing high-quality value-added services, and standardizing social professional services to optimize the quality and efficiency of tax services.

2.2.10 How many hours per year do taxpayers or tax professionals on behalf of their clients spend preparing, filing and paying taxes in your jurisdiction?

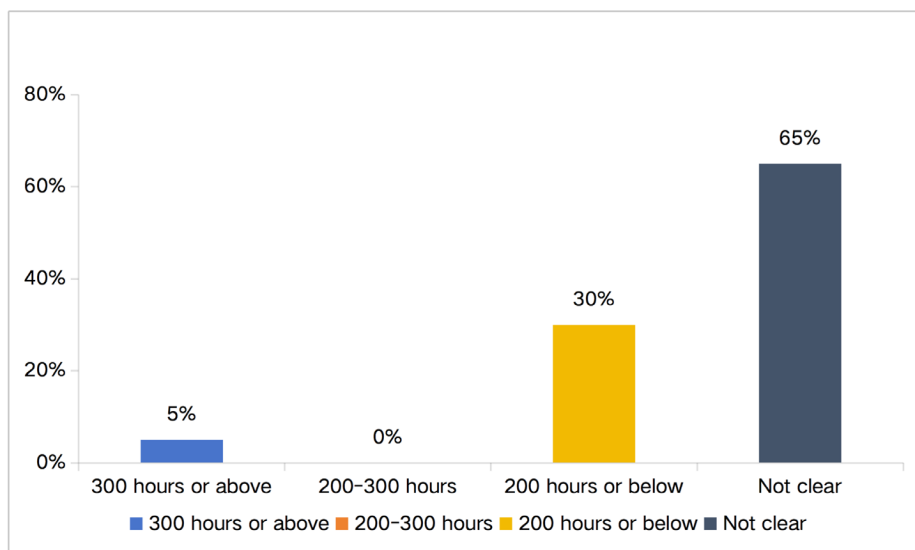


Figure 15 The Feedback on the Questionnaire (Question 10)

The results show that 30% of the taxpayers or tax professionals of the surveyed economies spend less than 200 hours on tax declaration, 0% of the taxpayers or tax professionals of the surveyed economies spend 200-300 hours, 5% of the taxpayers or tax professionals of the surveyed economies spend more than 300 hours, and 65% of the surveyed economies are not clear about the hours taxpayers spend on tax declaration each year.

2.2.11 From 2022 to 2024, what are the main measures taken in your jurisdiction to strengthen tax digitalization? (multiple choice)

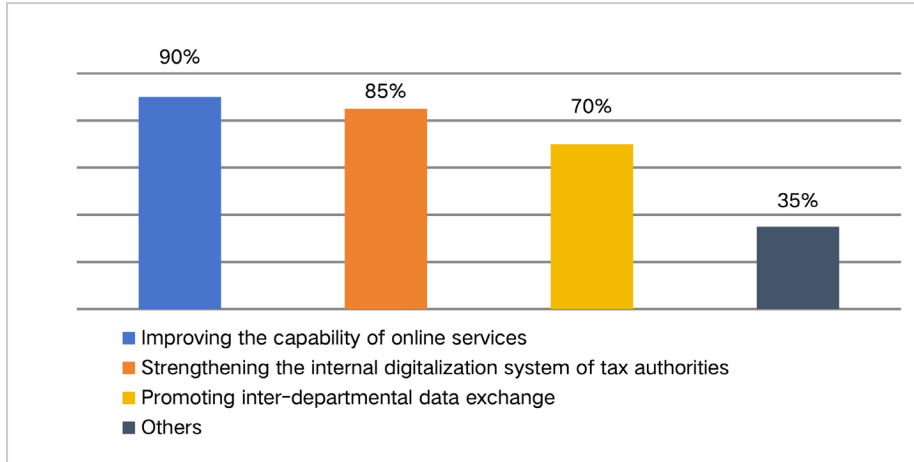


Figure 16 The Feedback on the Questionnaire (Question 11)

The results show that 95% of the surveyed economies have taken effective measures to strengthen tax information technology, including improving the capability of online services (90%); strengthening internal information system of tax authorities (85%); promoting inter-departmental data exchange (70%); others, e.g. electronic invoices (35%).

Most tax authorities make use of information technology and new technologies like big data and artificial intelligence (AI) to enhance tax administration and services.

2.2.12 What are the main areas of tax administration in your jurisdiction? (multiple choice)



Figure 17 The Feedback on the Questionnaire (Question 12)



The results show that tax authorities in the surveyed economies mainly focus on electronic administration (100%), taxpayer registration (85%), facilitation of tax authority-taxpayer communication (80%), simplification of tax-related procedures (75%), formulation of tax administration strategies (70%), service philosophy (70%), assistance in tax declaration (65%), and integration of IT inter-departmental databases (60%).

2.2.13 From 2022 to 2024, what are the main measures taken in your jurisdiction to promote openness and communication?

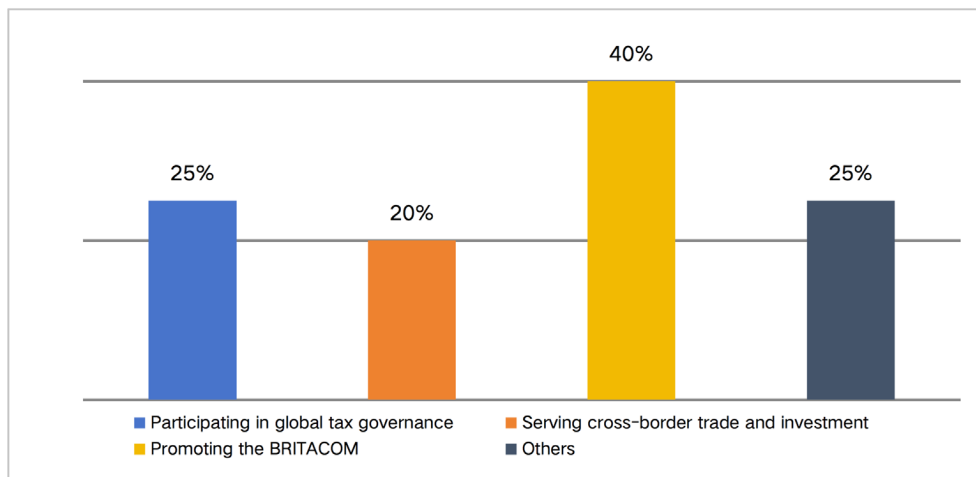


Figure 18 The Feedback on the Questionnaire (Question 13)

The results show that 85% of the surveyed economies have taken positive measures to promote tax openness and communication. Specific measures include promoting the BRITACOM (40%), participating in global tax governance (25%) and serving cross-border trade and investment (20%). Additionally, 25% of the surveyed economies have participated in bilateral and multilateral cooperation to foster international or regional tax openness and communication.

2.2.14 Does your jurisdiction have tax measures to facilitate green development?

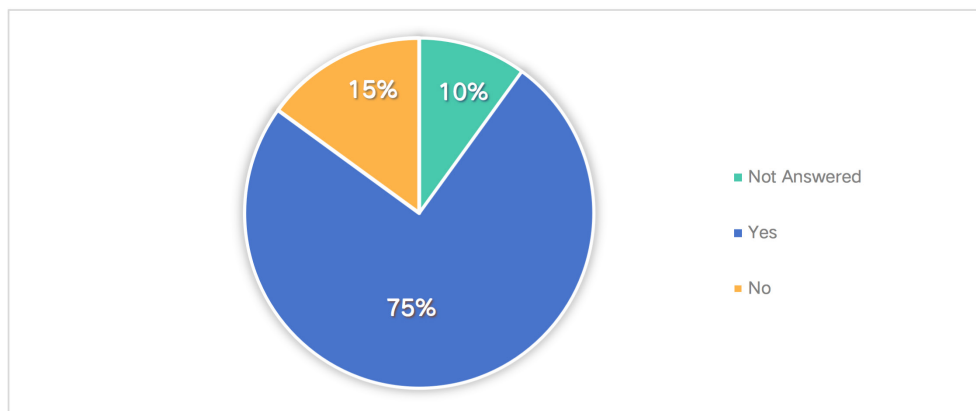


Figure 19 The Feedback on the Questionnaire (Question 14)

The results show that 75% of the surveyed economies have formulated measures to support green development in the tax field.

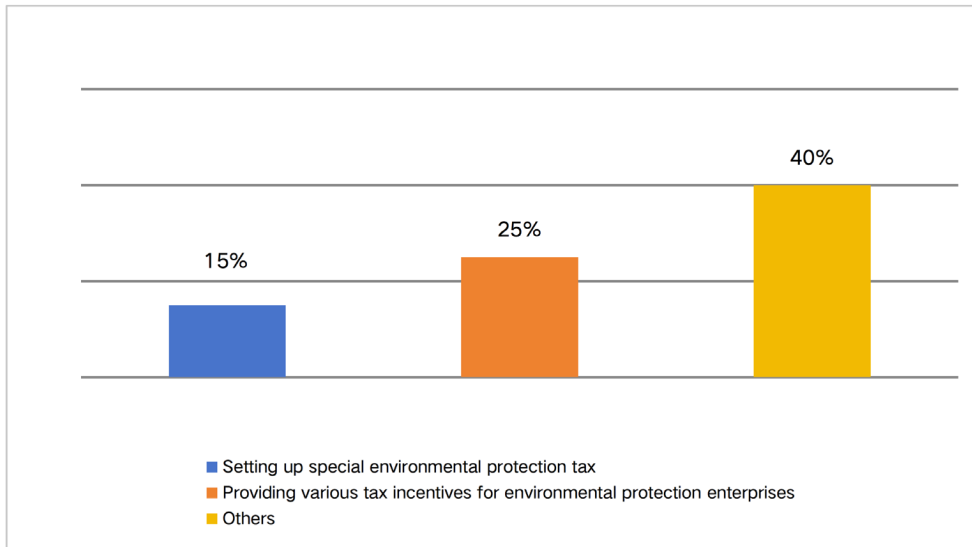


Figure 20 The Feedback on the Questionnaire (Question 14)

In the surveyed economies that have formulated measures to support green development in the tax field, 15% (e.g. China and Iran) set up special environmental protection taxes, 25% (e.g. Cambodia and Hungary) provide various tax preferential policies to enterprises engaged in environmental protection, and 40% of the surveyed economies support green development by establishing Green Customs Initiative Project (Angola) and Investment Allowance for Emissions Reduction (IA-ER) (Singapore).

2.2.15 Does your jurisdiction have gender--differentiated regulations in the field of taxation?

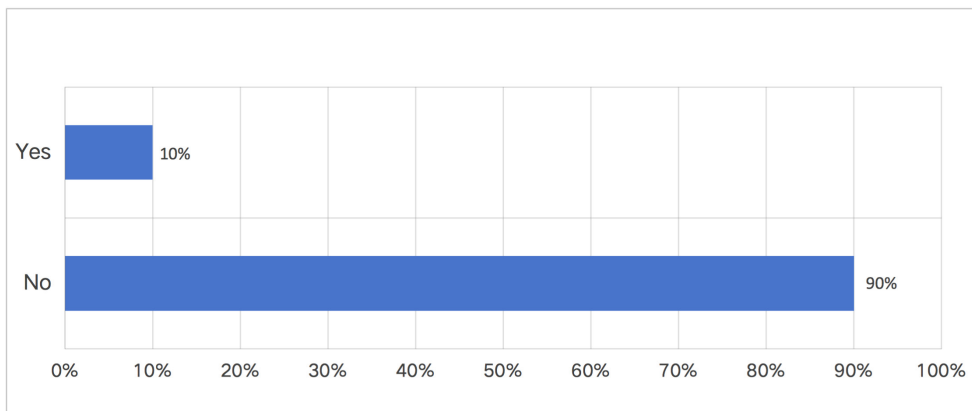


Figure 21 The Feedback on the Questionnaire (Question 15)

The results show that 90% of the surveyed economies have not made regulations concerning gender differences in the tax field. Only 10% of the surveyed economies have made regulations concerning gender differences in the tax field. For example, Hungary encourages women to give birth with preferential policies on personal income tax. Indonesia stipulates that married women use taxpayer identification numbers of their husband to fulfill their tax rights and obligations.

2.2.16 Does your jurisdiction provide special assistance to non-residents in paying taxes? (multiple choice)

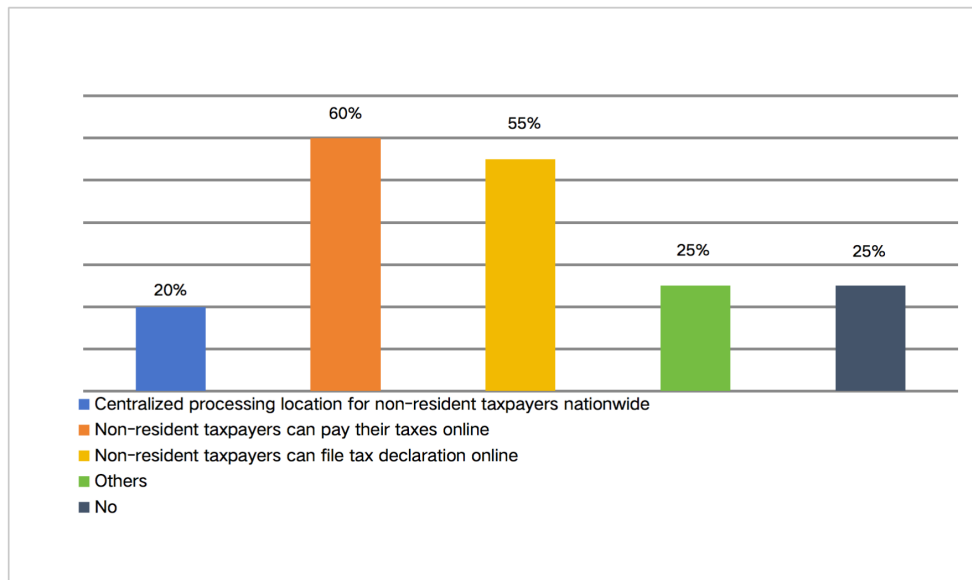


Figure 22 The Feedback on the Questionnaire (Question 16)

The results show that 75% of the surveyed economies provide special assistance to non-resident taxpayers. Specifically, there are three measures. Non-resident taxpayers can pay their taxes online (60%). Non-resident taxpayers can complete tax declarations online (55%). Non-resident taxpayers can handle tax matters in designated offices (20%).

Vis-à-vis the results in *Wuzhen Action Plan (2019-2021)*, the proportion of online declarations of non-resident taxpayers increased by 16%, and the proportion of online tax payments by 31%. This effectively reduces tax burden on non-resident taxpayers and facilitates tax payment.

2.3 Conclusion

The above results and relevant data suggest, from 2022 to 2024, under the guidance of the *Nur-Sultan Action Plan (2022-2024)*, the BRI jurisdictions took effective measures to improve the tax environment according to their circumstances, including formulating tax laws, providing tax preferential policies, streamlining procedures and serving the public, optimizing services, implementing smart governance, and enlarging openness and sharing.

2.3.1 In formulating tax laws, all the surveyed economies have formulated special laws and regulations for the major taxes. 95% and 90% of the surveyed economies have respectively formulated special laws and regulations for the performance of tax authorities and the protection of taxpayer's rights and interests. 75% of the surveyed economies have established special tax laws and regulations to support green development. These legal practices effectively ensure tax transparency and certainty.

2.3.2 In providing tax preferential policies, tax authorities in various economies have given priority to expanding the scope of tax preferential policies and reducing the cost of enjoying the policies in the



tax reform. The results show that 85% of the surveyed economies have reduced tax burden on taxpayers, and 95% of the surveyed economies have provided convenience for taxpayers to apply for tax preferential policies such as website information, guidance instruction, and exemption from prior approval.

2.3.3 In streamlining procedures and serving the public, 85% of the surveyed economies have taken effective measures to facilitate taxpayers' tax compliance, including organizing policy lectures (45%), strengthening departmental collaboration (45%), simplifying tax-related materials (35%), and reducing approval matters (25%). Tax authorities in various economies fully recognize that a simple and efficient tax payment system is an important approach to promoting tax compliance and reducing tax burden.

2.3.4 In optimizing services, 90% of the surveyed economies have taken measures to optimize services. 85% of the surveyed economies have improved the convenience of handling tax-related matters, and 70% of the surveyed economies have provided more value-added services. Simultaneously, tax authorities in the surveyed economies have given priority to unclogging communication channels for tax collection (79%), simplifying tax procedures for small enterprises and new taxpayers (74%), forging the idea of "serving taxpayers" (68%), and assisting in tax declaration (63%) in tax administration.

2.3.5 In implementing smart governance, tax authorities in various jurisdictions strengthen the use of information technology in tax administration. 95% of the surveyed economies have actively optimized online services and improved internal information systems. Some tax authorities closely follow the trend of technological development and use new technologies such as big data and AI to enhance tax administration and service.

2.3.6 In enlarging openness and sharing, 85% of the surveyed economies have taken effective measures to participate in global tax governance, foster the development of the BRITACOM, encourage inter-departmental data exchanges, and provide special assistance for non-resident taxpayers. These measures aim to deepen and expand the pattern of tax governance, and promote global economic stability and development.

Chapter 3

Reforms and Practices

3.1 Formulating Tax Laws

As the cornerstone of national social governance and international economic cooperation, tax laws play a pivotal role in protecting the rights and interests of taxpayers, maintaining tax order, achieving tax fairness, and improving tax governance capability in the BRI jurisdictions.

3.1.1 Establishing a Healthy Tax Legal System

Algeria

The substantive law of tax in Algeria consists of two parts. The first part includes tax laws according to tax types. The first tax law was issued in 1976, and the newly-revised tax law in 1991 covers income tax law, turnover tax law, indirect tax law, etc. The second part includes *The Petroleum Tax Law*, which mainly targets petroleum products and special tax law for hydrocarbons. The procedural law basically includes *The Tax Procedure Code* in 2002, which stipulates tax control procedures related to determining the amount of tax and tax rate, litigation procedures, etc. Meanwhile, based on the vision of the improvement of the investment climate and the diversification of the economy, tax authorities in Algeria conduct a tax reform on the following axes: promoting tax compliance, improving resource mobilization capabilities, strengthening tax information, encouraging the fair distribution of tax burden, and boosting the digitalization of tax administration, aiming to continuously improve the tax environment.

Angola⁹

Angola establishes complete tax legal system. In terms of substantive law, stamp duty tax law and capital gains tax law were introduced in 2014, corporate income tax law was introduced in 2015, VAT law was introduced in 2019, special consumption tax law was introduced in 2021, and property tax law and automobile tax law were introduced in 2020. With regard to procedural law, *General Tax Law* was issued in 2015, which standardized tax procedures and ensured effective legal protection of the legitimate rights and interests of taxpayers in tax matters.

China

China adheres to the principle of statutory taxation, and continues to improve tax legal system, strengthen the legal basis for taxation, and standardize tax law-enforcement, which provides strong support for formulating tax laws. Since *Legislative Law of the People's Republic of China* clarifies the principle of statutory taxation, tax legislation in China accelerates in an all-round way. Currently, legislation has been completed in 13 tax categories (18 in total).

Georgia

⁹ Source: Angola-Revenue Administration (2024)



Georgia continues to advance the reform on tax system. The number of taxes is reduced from 26 to 6 by abolishing social taxes and taxes on export. Georgia appropriately reduces tax categories and lowers tax rates to create a positive tax environment. Georgia also curbs corruption and increases tax revenues with complete tax laws.

Hungary¹⁰

Tax law in Hungary comprises two parts: central taxes and local taxes. Central taxes are regulated by law, such as *The Value-Added Tax Law CXXVII* in 2007, *The Personal Income Tax Law CXVII* in 1995, *The Corporate Income Tax Law and Dividend Tax Law LXXXI* in 1996, etc. Local taxes are enacted by municipal authorities according to law. One example is relevant laws and regulations on local tax in 1990: According to the authorization and provisions of this law, representative offices of local (city, metropolitan, Budapest or district) governments and representative committees of major county governments can introduce local taxes through laws within the jurisdiction of local governments.

Myanmar

Internal Revenue Department (IRD) of Myanmar has been committed to the reform on tax legislative framework: promulgating *The Tax Law for Specific Goods* and *The Law for Tax Administration Procedures*, drafting new *Law for Income Tax*, introducing VAT, enhancing the planning for cross-border trade, and boosting the efficiency in internal audits to increase tax transparency.

Tajikistan

In the Republic of Tajikistan, the Tax Code in a new edition was put into effect on 1 January 2022. The purpose of the adoption of the Tax Code is to ensure sustainable economic development of the country by creating a favorable business and investment environment, primarily for entrepreneurship in industrial production, further implementation of digital technologies and increasing revenues to the state budget. The Tax Code was developed in accordance with the best international practice and taking into account the principle of tax certainty, which provides all business entities with equal opportunities to understand its provisions, eliminating contradictions and disputes.

The Tax Code provides for new chapters on transfer pricing and tax monitoring. At the same time, individual provisions of the Tax Code have been specified, streamlined and improved taking into account the principle of tax certainty and a number of new provisions have been provided, such as:

- commissions on tax avoidance issues;
- engaging experts to conduct tax control;
- creating a council for pre-trial resolution of tax disputes.
- criteria for assessing the level of risk.

Based on the provisions of Article 35 and Article 160 of the Tax Code, the Regulations on the commission on tax evasion issues of the Tax Committee and on the council for pre-trial settlement of disputes of the Tax

¹⁰ Source: Hungary-National Tax and Customs Administration (2024)

Committee dated 31.05.2022 were developed and approved.

The Council for Pre-Trial Dispute Resolution is an interdepartmental advisory body for pre-trial consideration of tax disputes under the authorized state body, the composition of which is formed from representatives of bodies in the field of finance, justice, support of entrepreneurship, taxes, industry bodies, experts and independent consultants.

3.1.2 Strictly Implementing Fair and Civilized Law-enforcement

Hong Kong, China

Via the advance ruling system, the IRD of Hong Kong, China provides a transparent framework, enhances tax certainty for taxpayers, promotes consistency in the application of tax laws, minimizes tax disputes, and enhances the trust between taxpayers and tax authorities. Some rulings considered to be of general interest have been published on the website of the IRD of Hong Kong, China in redacted form without private information about taxpayers. This strengthens the transparency in the application of tax laws.

Malaysia

IRBM introduces the advance ruling system, which, in accordance with domestic laws on income tax, explains provisions and scope of application to taxpayers concerning disputes, and clarifies scope of application and procedures to reduce tax uncertainty. The ruling is binding on the IRBM, unless there are false statements, omissions and inaccuracies in the facts on which the ruling is based.

China¹¹

State Taxation Administration of China issues *The Rules on the Exercise of Discretion for Tax Administrative Penalty*, which determines the principles and procedures for the exercise of discretion for tax administrative penalty, and provides institutional norms to regulate discretion. Tax authorities in the Beijing-Tianjin-Hebei region, the Yangtze River Delta, Northeast China, Southwest China, Central South China and Northwest China jointly launch a unified benchmark for tax administrative penalty discretion, and enhance the standardization of tax law-enforcement. In 2023, tax authorities updated several documents such as *Operation Standards for Tax Administration* and *Standards for Tax Services*.

Saudi Arabia¹²

Tax authorities of Saudi Arabia promote soft tax law-enforcement and revise relevant regulations on tax penalties. Tax authorities would send reminder letters as a warning before issuing penalty documents, allow payment of fines by installments, normalize the implementation of the “amnesty plan”, and permit taxpayers with less cash flow to pay taxes by installments.

The United Arab Emirates¹³

Tax authorities of the United Arab Emirates extend the “amnesty plan” for tax fines to 31 December 2022. According to the plan, if taxpayers pay 100% of their taxes, the fines imposed on them can be reduced by 30%.

11 <https://www.chinatax.gov.cn/chinatax/n810219/n810724/c5221224/content.html>

12 <https://www.britacom.org/zt/ThemeDay/FourthEVENT/>

13 Source: The United Arab Emirates-Federal Tax Authority



3.1.3 Respecting and Protecting the Rights of Taxpayers

Georgia

Tax authorities of Georgia normalize the implementation of remote tax dispute hearings, which not only ensures personnel safety, but also saves time and costs.

China

Tax authorities of China revise *Measures for the Administration of the Complaints about Tax Services*, which extends the scope of complaints about tax services to fee payers, promises to shorten the time span for handling complaints by 50%, and establishes the fast-feedback mechanism applicable to tax cuts as well as natural persons' complaints. This improves the mechanism for meeting the demands for tax services, and promotes the extension from "handling complaints immediately" to "handling complaints before filing".

Saudi Arabia¹⁴

Tax authorities of Saudi Arabia allow taxpayers to raise objections to the decisions made by tax authorities within a time limit, and resolve disputes in a progressive way in three stages: negotiation, submission to the reconciliation committee, and appeal court. For this purpose, Saudi Arabia establishes a reconciliation committee and a special court for tax and customs affairs, with judges having a good command of tax and customs knowledge, as well as a two-level internal court. Decisions made by the first court can be appealed to the appeal court, where the decision made by the appeal court is final.

Singapore

The tax authority of Singapore assists taxpayers to resolve cross-border tax disputes with foreign tax authorities through the Mutual Agreement Procedure (MAP) provisions that is available under all of Singapore's comprehensive tax treaties. Mandatory binding arbitration provisions are also included in some of Singapore's tax treaties. The decision from the arbitration panel will be binding on the competent authorities (unless the taxpayer chooses to disagree with it, in which case the taxpayer may still pursue domestic remedies through litigation).

Tajikistan¹⁵

The introduction of the new Tax Code of the Republic of Tajikistan simplified the tax system and reduced tax rates. This led to a reduction in the shadow economy (due to the expansion of the tax base) and an increase in tax revenues by 7.5 billion somoni (from 11.1 billion in 2019 to 17.7 billion in 2023). The Tax Committee has also achieved significant results in the area of compliance risk management (CRM). The Tax Committee now uses a comprehensive risk selection matrix to identify high-risk taxpayers subject to tax audit. Over the past year, the number of on-site audits has increased by 10%, but the volume of additional tax charges has doubled (from 341 to 688 million somoni), reflecting the effectiveness of the new risk-based sampling mechanism and improved qualifications of tax authority employees.

Also, the software product has been developed and is actively used by the employees of the Tax Committee,

14 <https://www.britacom.org/zt/ThemeDay/FourthEVENT/14>

15 Source: Tajikistan-Tax Committee Under The Government(2024)

which will allow for effective and automatic analysis of the activities of taxpayers according to extended criteria, as a result of which the level of risk of tax violations by taxpayers is determined and assessed. Moreover, based on the Order of the Chairman of the Tax Committee under the Government of the Republic of Tajikistan dated 28 September 2023, No. 544, from 1 October 2023, it carries out all 100% on-site tax audits of taxpayers registered with the Tax Administration of Large Taxpayers, through the Risk Analysis Management module in the Integrated Tax Information System.

3.2 Providing Tax Preferential Policies

As an approach to regulating economy through tax, tax preferential policies play an important role in promoting foreign investment, enhancing market vitality, and boosting enterprises' confidence in the BRI jurisdictions.

3.2.1 Turnover Tax

Kazakhstan

Tax authorities in Kazakhstan optimize the VAT refund mechanism. The deadline for paying VAT on imported goods by offsetting is extended to 1 January 2025. Banking fees and service fees for financial data operators are waived. Enterprises that convert at least 50% of foreign exchange earnings received from the export of raw materials for the tax period are entitled to apply in a simple manner for VAT refund (no more than 80% of the amount of excess VAT established for the reporting tax period).

Tajikistan

Tax authorities in Tajikistan continue to simplify the tax system and lower tax rates. The total number of tax types is reduced from 10 to 7. The standard VAT rate has been reduced from 18 to 15 percent, and from 2024 to the end of 2026 the VAT rate will be 14 percent. From 1 January 2027, the VAT rate will be reduced to 13 percent.

The Tax Committee has implemented an effective risk-based approach to processing VAT refund applications. A solution for electronic VAT refund application submission was developed and the VAT refund application processing process was automated. The automated VAT refund module came into force on 1 December 2023. As a result of these changes, VAT refund applications for the reporting period are now processed using a VAT refund risk matrix with a threshold set to sort applications that will undergo accelerated or advanced processing.

Tax reforms and the adoption of the Law of the Republic of Tajikistan "On Electronic Commerce" contributed to the support of electronic commerce for small and medium-sized businesses and the creation of a platform where foreign suppliers of electronic services can remotely register themselves as VAT payers with the tax authority of the Republic of Tajikistan and electronically submit tax reports, as well as transfer VAT to the budget from services rendered to individuals of the Republic of Tajikistan. To date, more than 20 international companies have registered themselves as VAT payers with the tax authority of the Republic of Tajikistan, such companies as: Amazon, Booking.com, META, Google, Netflix, Apple distribution and others.



Uruguay¹⁶

According to *Uruguayan Tax Law No. 20.159*, during the water emergency, sales of mineral water and soda water are exempt from VAT from the day after the promulgation of this law until the end of water emergency state is declared. According to *Uruguayan Tax Law No. 20.024*, fresh, frozen or ice fresh beef that has been processed through grilling and cutting can be exempted from VAT for a period of 30 days as long as it is cut in the slaughterhouse and confirmed to have been consumed. According to *Uruguayan Tax Law No. 20.028*, ordinary white bread, crispy biscuits and noodle products in the retail stage are exempt from VAT for a period of 30 days.

China

In 2022, relevant departments in China issued *The Announcement of Ministry of Finance and State Taxation Administration on Further Promoting the Implementation of the Policy of VAT Period-end Allowance Refund*, which aims to promote the implementation of the policy of VAT period-end allowance refund for small and micro enterprises, expand the scope of the policy of full refund of VAT incremental allowance on a monthly basis for the advanced manufacturing industry to eligible small and micro enterprises, and make a one-time refund of the amount of the allowance for the stocks of small and micro enterprises. The policy of VAT period-end allowance refund will be strengthened in “the manufacturing industry”, “the scientific research & technological service industry”, “the electricity, heat, gas and water production & supply industries”, “the software & information technology service industry”, “the ecological protection & environmental treatment industry”, and “the transportation, warehousing and postal service industries”. The scope of the policy of full refund of VAT incremental allowance on a monthly basis for the advanced manufacturing industry will be expanded to eligible manufacturing and other industrial enterprises (including privately-owned businesses), and the stock retained tax amount of manufacturing and other industrial enterprises will be refunded in a lump sum.

The United Arab Emirates¹⁷

Tax authorities in the UAE provide tax refunds for the construction and operation of mosques, allowing VAT refunds for donations for the construction and operation of mosques on or after 1 January 2018. Meanwhile, the refund for consumption tax further expands. After 1 June 2024, if one meets the requirements and has not been recognized as a taxable person for consumption tax, he can request a refund of consumption tax on goods previously exported outside the United Arab Emirates.

3.2.2 Corporate Income Tax

Algeria

Tax authorities in Algeria have three main forms of tax exemptions. The first type is the exemptions from the tax on professional activities and corporation tax, especially made for export activities. The second type is the exemption from corporation tax, especially made for touristic enterprises. This kind of sector can benefit from an exemption for 10 years. Thirdly, according to *2022 Finance Law*, the corporate tax rate for

¹⁶ Source: Uruguay-General Tax Directorate (2024)

¹⁷ Source: The United Arab Emirates-Federal Tax Authority

manufacturing enterprises has been reduced from 19% to 10%.

China¹⁸

Tax authorities in China encourage corporate research and development. China vigorously promotes the development of integrated circuit enterprises. Eligible integrated circuit enterprises are entitled to the exemption from corporate income tax for 10 years, and key software enterprises, as encouraged by China, are entitled to the exemption from corporate income tax for the first five years and a preferential tax rate of 10% for the following years.

Indonesia

To increase investment funds, the Directorate General of Taxes (DGT) of Indonesia implement a series of tax incentive policies. Go-public Taxpayers are eligible for 3% corporate income tax reduction. Corporate income tax on domestic dividends is eliminated. Dividends and aftertax profits from permanent establishments abroad are not subject to corporate income tax as long as they are invested in Indonesia and satisfying specific criteria, procedures, and time periods for investment.

Kazakhstan

Tax authorities in Kazakhstan provide support to small and micro businesses. For example, a certain category of entrepreneurs is exempt from income taxes and tax audits for three years.

Myanmar

Corporate income tax shall be imposed at 22% instead of 25% in accordance with *The Union Taxation Law 2021*.

Sierra Leone¹⁹

Tax authorities in Sierra Leone introduced a series of preferential policies on income tax. Agricultural imports and agricultural machinery imports are exempt from taxes, and agricultural investment is exempt from corporate income tax for 10 years. The manufacturing industry is exempt from corporate income tax for 5 years. Interest income from loans related to the mining and manufacturing industries is exempt from tax. The corporate income tax rate for factories in the capital is reduced from 25% to 15%. The petroleum industry can be exempted from income tax for another 5 years. The payment of income tax of the tourism industry can be delayed. A 5-year tax exemption period for the renewable energy industry is provided.

Tajikistan

Tax authorities in Tajikistan have abolished a progressive personal income tax rate of 8%-13%, and established a single rate of 12%. The personal income tax rate for non-residents has been reduced from 25% to 20%. In the current tax code, for manufacturing enterprises, the income tax rate is retained at 13%; for credit and financial institutions as well as mobile companies, the rate is reduced from 23% to 20%; and for other types of businesses, the rate is reduced from 23% to 18%.

18 <https://www.chinatax.gov.cn/chinatax/n810219/n810724/c5221224/content.html>

19 https://www.britacom.org/zt/ThemeDay/Third_Event/



The social tax rate for insurers, except for budgetary organizations, has been reduced from 25% to 20%.

At the beginning of 2021, the World Bank team conducted a study of taxpayers' trust in the tax system of the Republic of Tajikistan.

The study provides valuable information on taxpayers' attitudes towards the tax system, taxpayers' experience, tax ethics, and also includes an assessment of the experience of using electronic services and services from Internet platforms.

According to respondents (82%), tax authorities are among the most trusted authorities in Tajikistan. The level of trust between private firms and large taxpayers does not differ significantly. 88% of respondents believe that the Tax Committee can be trusted to calculate and collect taxes.

3.2.3 Other Taxes

China²⁰

In 2022, China introduced a new deduction for the care of infants under the age of 3. On 1 January 2023, China significantly increased special additional deduction standards for the care of infants under the age of 3, children's education and the support of the elderly. Specifically, special additional deduction standard for the care of infants under the age of 3 and children's education was increased from 1,000 *yuan* per capita per month to 2,000 *yuan* per capita per month. Special additional deduction standard for the support of the elderly was increased from 2,000 *yuan* per month to 3,000 *yuan*. This further reduces the expenses on family childbirth and elderly care.

3.3 Streamlining Procedures and Serving the Public

In the BRI jurisdictions, tax administrative approval procedures are continually optimized, the submission of tax-related materials is streamlined, inter-departmental collaboration is continuously strengthened, and the capability and service of tax governance are effectively improved, with the emphasis placed on "streamlining administration and delegating powers".

3.3.1 Optimizing Tax Approval Procedures

Georgia²¹

Tax authorities in Georgia fully implement an automatic VAT Refund System. The system allows low-risk taxpayers to access to automatic VAT refunds, once VAT return is verified and approved by the risk-based verification system.

China²²

Tax authorities in China publish an announcement on streamlining the handling of tax-related matters in the closing and cancellation of market entities. Firstly, for the closing of market entities, market entities

20 <https://www.chinatax.gov.cn/chinatax/n810219/n810780/c5221736/content.html>

21 <https://www.britacom.org/gkzljxz/dzqk/202401/P020240109552353890528.pdf>

22 <https://fgk.chinatax.gov.cn/zcfgk/c100012/c5196765/content.html>

<https://fgk.chinatax.gov.cn/zcfgk/c100012/c5196824/content.html>

only need to file with registration authorities according to regulations, and do not necessarily report to tax authorities separately. Secondly, privately-owned businesses that have not handled tax-related matters or handled tax-related matters yet have not received or issued invoices, and have not owed taxes or have no other unresolved matters may be exempted from applying for tax clearance certificates to tax authorities and directly apply to market administration departments for registration of cancellation. *The List of Tax Administrative Licensing Matters 2022* was issued, retaining only one tax administrative licensing matter, i.e. “approval of the maximum invoicing limit of the VAT anti-counterfeiting tax control system”.

Singapore

The Inland Revenue Authority of Singapore (IRAS) embedded analytics models within business procedures and core tax processing system to enable better targeting of risky Goods And Services Tax (GST) registration applications and refund claims. This enables IRAS to approve and process lower risk registration applications and refund claims in a more effective and efficient manner.

3.3.2 Streamlining Tax-related Materials

Algeria²³

Tax authorities in Algeria maximize the simplification of business procedures related to tax administration, especially this kind of simplification as a permit action in terms of tax declaration. Simultaneously, taxpayers are provided with the information system SI-JIBAYATIC to handle tax-related business, which covers all the tax administration activities in Algeria.

China²⁴

Tax authorities in China streamline the submission of tax-related materials. On 1 February 2023, the State Taxation Administration of China included 13 types of tax-related materials in the scope of deficiency handling, abolished 12 types of tax-related materials, and retained 22 types of tax-related materials for reference. State Taxation Administration of China implements paperless declaration and accelerates the refund for export tax. Since 20 June 2022, the average time for normal export tax refund of first-class and second-class enterprises has been reduced to 3 working days.

Indonesia

The Directorate General of Taxes (DGT) of Indonesia has developed several types of tax apps for taxpayers to file their tax returns electronically. For example, eligible individuals and corporates can utilize an application called e-Filing to file their annual income tax returns, while VAT-registered taxpayers are required to file their VAT returns using the e-Faktur Web app. Indonesia has also simplified its filing system for several types of withholding income taxes by creating the Unification Income Tax Return. Therefore, taxpayers who are required to submit more than one kind of withholding income tax returns monthly can simply file one tax return electronically.

²³ <https://www.britacom.org/zt/ThemeDay/secondEVENT/>

²⁴ <https://www.chinatax.gov.cn/chinatax/n810341/n810760/c5183830/content.html>
<https://www.chinatax.gov.cn/chinatax/n810219/n810724/c5181343/content.html>



Kazakhstan

Tax authorities in Kazakhstan stipulate that privately-owned businesses and small enterprises are entitled to choose their appropriate declaration procedures. Simplifying declaration procedures can minimize the requirements for accounting books, making it easier for taxpayers to prepare and submit declaration forms, and facilitate quick declarations for small taxpayers. Meanwhile, Kazakhstan reduces budget classification codes to optimize tax declaration forms. Since 2015, budget classification codes have been decreased by 40%, and tax declaration forms have been optimized by 30%.

Saudi Arabia²⁵

Tax authorities in Saudi Arabia provide taxpayers with VAT and ZAKAT registration services, who can register as a group. Companies in Saudi Arabia file only one tax declaration.

3.3.3 Strengthening Efficient Collaboration among Departments

Georgia

A memorandum of cooperation has been concluded between several ministries of Georgia, including Ministry of Agriculture, Ministry of Internal Affairs and Revenue Service of Ministry of Finance. The memorandum gives Revenue Service of Georgia a mandate to perform those functions of above agencies. For example, Revenue Service of Georgia can provide passport control of tracks (performed by Ministry of Internal Affairs) or provide sanitary and phytosanitary control of imported plants and animals, and issue licenses and permissions for the admission of goods on the territory of Georgia (performed by Ministry of Agriculture).

Serbia

Tax authorities in Serbia strengthen collaboration with the Treasury Administration, through which the flow of budget funds is monitored. Besides, tax authorities enhance information sharing with Ministry of Interior and commercial banks, which enables to create a more stable business environment.

China²⁶

Tax authorities in China actively strengthen cooperation with departments of market regulation, housing and natural resources in optimizing the procedures of commercial registration and property registration. Tax authorities jointly launch the “Service Month for Small and Medium-sized Enterprises” activity, alongside departments of industry and information technology. With the support of the latter, tax authorities give guidance to micro, small and medium enterprises (MSMEs) and earnestly implement relevant policies. Since 2022, about 4,100 promotional products concerning tax support policies for small and medium-sized enterprises have been launched, and more than 31,000 special counseling sessions have been conducted for MSMEs on various online and offline platforms, benefiting more than 9.5 million taxpayers. China promotes the “tax-banking interaction” trustworthy incentive measures, and launches unsecured credit loans based on tax credit information for qualified small and micro enterprises.

25 <https://www.britacom.org/zt/ThemeDay/FourthEVENT/>

26 <https://www.chinatax.gov.cn/chinatax/n810219/n810724/c5179008/content.html>

The United Arab Emirates²⁷

Tax authorities partner departments of economic development and municipalities in the UAE, and establish “tax clinics” with them. The virtual assistant TARA has been developed, which is trained to answer new questions, and to carry out tax advisory services with TARA.

3.4 Optimizing Services

In the BRI jurisdictions, tax services are continually optimized. By improving the convenience of tax services, standardizing social professional services, and exploring value-added applications of tax services, tax authorities promote voluntary compliance of taxpayers.

3.4.1 Improving the Convenience of Tax Services

Georgia

Tax authorities in Georgia streamline the tax payment channels. Taxpayers can use one account for payment of all kinds of tax liabilities to resolve the problem of separate payments for multiple accounts in the past. Multiple service centers are established across the country to assist individuals who do not prefer or cannot use electronic devices to handle tax-related businesses. The development of mobile apps achieves flexible tax handling on mobile devices.

Kazakhstan²⁸

Tax authorities in Kazakhstan build integrated and flexible intelligent tax channels. Kazakhstan incorporates online tax consultation into a unified governmental public service platform. To meet the needs of taxpayers in tax-related inquiry, mobile citizen database is used to send tax-related information such as taxes paid, property objects, tax report revocation and registration data after the recognition of user identities, which reduces the number of phone inquiries.

China

Tax authorities in China continue to streamline the tax procedures and implement the model of “one window acceptance, internal circulation, settlement in a limited time, and window delivery”, achieving “one door and one window for tax handling”. By 2022, 100% of comprehensive tax service halls had completed “handling tax-related businesses in one hall”. Tax authorities continuously enlarge the list of “one time for tax-related businesses”. By the end of 2022, the list extended to 146 tax-related businesses in 11 categories. Tax authorities actively promote independent tax handling, and tax service halls nationwide are basically equipped with self-service tax terminals. Taxpayers handle invoice issuance, invoice receipt, personal-income-tax-record printing and other businesses. Tax authorities actively expand the application of self-service tax terminals in commercial districts, industrial parks, banks, post offices and other places. Tax authorities carry out “handling tax-related businesses in various regions, cities and provinces”. Enterprises with businesses in more than one provinces can handle tax-related businesses nationwide. In the Beijing-

²⁷ <https://www.britacom.org/zt/ThemeDay/FourthEVENT/>

²⁸ <https://www.britacom.org/zt/ThemeDay/FifthEVENT/>



Tianjin-Hebei region, the Yangtze River Delta, and the Sichuan-Chongqing region, and the Guangdong-Hong Kong-Macao Greater Bay Area, tax-related businesses can be handled in different cities or provinces.

Macao, China

The Financial Services Bureau of Macao, China continues to integrate and restructure tax windows in locations within the region, create one-stop service centers with multiple functions, and reduce the costs and raises efficiency of taxpayers.

Macao, China vigorously promotes online and remote taxation. Macao, China encourages registered individual and corporate taxpayers to declare and pay taxes online. With the establishment of Guangdong-Macao In-Depth Cooperation Zone in Hengqin, an agreement has been reached with tax authorities in Hengqin, Zhuhai. “Remote intelligent counters” are set up in the two regions, enabling taxpayers to conveniently handle inter-regional tax matters.

Serbia

Tax authorities in Serbia add offline tax handling offices. “Your Tax Collector” counters are set up in the branches, which provide consulting services related to the application of tax regulations, and assist in filling out and submitting tax declaration forms. In addition, there are Internet counters at the branch-offices which can be used by taxpayers so that they can submit their tax returns with the help of tax officials.

Sierra Leone²⁹

Tax authorities in Sierra Leone establish digital interactive service platforms and call centers to serve domestic taxpayers, which facilitate online communication between taxpayers and tax authorities or handling complaints of taxpayers. Through local popular TV or radio channels, tax authorities build platforms to answer questions and clarify doubts of taxpayers.

Singapore

To enhance the e-filing experience for small companies, a simplified Corporate Income Tax (CIT) Return, Form C-S (Lite), was introduced in 2020. Companies with annual revenue up to \$200,000 and have straightforward tax matters can file Form C-S (Lite), which only requires completing 6 essential fields. This makes tax filing easier and faster for small companies.

For tax payments, taxpayers can use PayNow, a nationwide fund transfer service, to pay their taxes on myTax Portal (a secure portal for taxpayers to transact with IRAS). Taxpayers will benefit from instant settlement and real-time updates of their outstanding tax balance. They also enjoy fast, secure and seamless e-refunds via PayNow-NRIC/FIN/UEN, without the need to register a bank account with IRAS.

3.4.2 Standardizing Social Professional Services

Georgia

Revenue Service of Georgia strengthens coordination and communication with the “Big Four” accounting firms, discussing and exchanging opinions on the new reform project initiated by the Revenue Service of Georgia.

²⁹ https://www.britacom.org/zt/ThemeDay/Third_Event/



China³⁰

Tax authorities in China issue *Basic Guidelines for Tax-related Professional Services (Trial)*, which sets basic standards for the implementation of tax-related professional services. Tax authorities release *Code of Ethics for Tax-related Professional Services (Trial)*, which advocates ethical guidance, credit constraint and stable operation of tax-related professional service institutions and their personnel, and clarifies the requirements for professional disciplines and ethics, as well as prohibitions on engaging in tax-related professional services. To strengthen social coordination, China gives play to the role of trade associations and intermediary organizations, and encourages third parties to provide customized services to taxpayers in line with market rules and principles.

Hong Kong, China³¹

The IRD of Hong Kong, China keeps close contact with stakeholders including accountancy and taxation professional bodies. The IRD holds regular meetings with them to maintain effective communication. In proposing amendments to tax legislation, introducing new tax initiatives, and designing new systems, services, or products, prior consultations with interested parties such as businesses, professional bodies and tax practitioners are often carried out in order to obtain best assurance to future acceptance and enhance effectiveness.

Kazakhstan³²

Tax authorities in Kazakhstan cooperate with educational institutions to popularize tax knowledge to students at all levels, from preschool education to higher education.

Serbia

In cooperation with the Ministry of Education, the Tax Administration of Serbia (STA) implements a fiscal education program for the young people called “Tax Class”. In an interactive lesson, games and examples are used to explain to the elementary school pupils why it is important to take fiscal bills at the time of purchase.

Singapore

IRAS (Singapore) collaborated with the Accounting and Corporate Regulatory Authority of Singapore (ACRA) and software developers to automate the preparation and filing of statutory returns and financial data through accounting softwares that businesses use in their daily operations. Software with seamless filing capability includes features such as pre-filing of tax data and can automatically compute and submit tax returns to IRAS. This allows businesses to prepare and file their tax returns with improved accuracy in just 15 minutes, achieving time savings of more than 95%.

3.4.3 Exploring Value-added Applications of Tax Services

Indonesia

30 <https://fgk.chinatax.gov.cn/zcfgk/c100015/c5213583/content.html>

31 <https://www.britacom.org/zt/ThemeDay/FIRSTEVENT/>

32 <https://www.britacom.org/zt/ThemeDay/FifthEVENT/>



The Directorate General of Taxes (DGT) of Indonesia offer coaching programs for MSMEs called Business Development Services (BDS). These programs have brought MSMEs together, as well as seminars on taxation, account management, financial planning, marketing, and other material according to the needs of MSMEs to scale up their capacity. These programs further help to determine the goals of services over time, with the range of services that would be broadened based on lessons learned throughout the country.

China³³

In 2023, China focused on the development of enterprises that did not build smooth industrial chains and supply chains. China actively uses tax big data to facilitate the connection of enterprises.

New Zealand

Tax authorities in New Zealand provide one-on-one management services to roughly top 50 corporate taxpayers (including many multinationals) and establish closer relationships between tax officials and enterprises.

Serbia³⁴

Serbia establishes dedicated platforms on the portals of tax authorities, which provide self-evaluation and income evaluation tests as well as relevant policies for freelancers, helping them to submit income tax returns.

3.5 Implementing Smart Governance

New trends in the development of modern digital world pose challenges to traditional interaction between tax authorities and taxpayers, and breed new opportunities for the digital transformation of tax authorities in the BRI jurisdictions.

3.5.1 Taxpayer End

Armenia³⁵

Tax authorities in Armenia build an electronic declaration system and an electronic platform to enable taxpayers to submit tax declaration forms and related documents electronically, and reduce the use of paper documents. Tax authorities design an online payment system and establish an online payment portal to allow taxpayers to conveniently and securely pay taxes in an electronic way. Tax authorities provide digital channels such as email, online chat and interactive website to facilitate communication between taxpayers and tax authorities, ensuring faster response to information inquiries. Tax authorities realize the automation of tax procedures, adopt automation and AI technology to simplify tax procedures, and improve accuracy.

Cambodia³⁶

On 16 February 2024, tax authorities in Cambodia announced the launch of an electronic administrative app,

33 http://fujian.chinatax.gov.cn/lysswj/ssxc/swyx/202305/t20230504_507651.html

34 Source: Serbia-Ministry of Finance-Tax Administration(2024)

35 Source: Armenia-State Revenue Committee(2024)

36 Source: Cambodia-General Department of Taxation, Ministry of Economy and Finance(2024)

which facilitates taxpayers to submit applications or other demands online and easily track the status of documents through the app.

China³⁷

In order to better promote non-contact tax payment, tax authorities make efforts to optimize the function of electronic tax bureau. Tax authorities in China continue to improve the functions of mobile apps and optimize application scenarios. So far, 233 types of tax payments can be handled in a non-contact way. 90% of tax-related matters and 99% of tax declaration business are completed via the Internet and apps. A nationwide unified tax knowledge label system is established, which accurately screens taxpayers who can enjoy tax benefits, and timely pushes relevant policies. China actively promotes electronic invoices, fully digitalizes information involved in transaction activities, achieves nationwide unified coding, intelligently assigns the total amount of invoice issuance by the system, and establishes a tax digital account to achieve automatic circulation and delivery of invoices and data collection.

Hong Kong, China³⁸

The IRD of Hong Kong, China provides intelligent services such as data pre-filling and electronic reminder of the declaration before deadline via the “eTAX” online tax platform. The IRD has introduced fillable PDF forms with automatic generation of QR codes. QR code containing all the input information will be generated automatically after the form is completed. Upon receipt of the forms, the IRD staff will capture the information contained in the QR codes with barcode scanners. The information will then automatically be updated to the database. The IRD supports tax payments through different means, such as by telephone, by ATM, by online banking and by fast payment system (FPS). Taxpayers can simply scan the FPS QR code printed on the bills issued by the IRD using supporting mobile applications of the banks or stored value facilities. The IRD develops a chatbot called “Iris” to provide real-time online interactive services in answering general enquiries relating to tax on individuals. The IRD sets up dedicated email addresses for the interaction and communication between the IRD and the public on specific tax matters.

Indonesia

The Directorate General of Taxes (DGT) of Indonesia carries out the reform on digital services, providing taxpayers with online services such as electronic registration, electronic invoice and withholding tax receipt, electronic billing, and electronic filing. These online services can be accessed by taxpayers through the DGT website page of www.pajak.go.id. The DGT also develops a mobile app called M-pajak, providing taxpayers with one-stop mobile services. Furthermore, the taxpayers have been provided with the pre-populated data of withholding income tax receipt when filing their annual income tax return.

Kazakhstan

Tax authorities in Kazakhstan provide three mobile apps for free: taxpayer office, E-salyq-Azamat and E-salyq-Business. These mobile apps allow taxpayers to automatically calculate taxes and social insurance payments, pay taxes, receive tax notifications, fill out tax returns online, and simplify declaration.

37 <https://www.chinatax.gov.cn/chinatax/n810219/n810780/c5168859/content.html>

38 <https://www.britacom.org/zt/ThemeDay/FIRSTEVENT/>



Kazakhstan launches “Electronic Invoice Information System”, which enables taxpayers to track all transactions on goods and services. Since the launch of the system (in 2016, on a voluntary basis, and in 2019, mandatory application to all VAT payers), over 814 million invoices have been issued, with about 771,000 taxpayers registered on the system.

Serbia

The STA (Serbia) develops a free app on smartphones called Tax Alarm, through which citizens can report non-compliant taxpayers to the STA (Serbia) immediately after the occurrence or detection of any tax irregularities.

Singapore

IRAS (Singapore) collaborates with GovTech, a government agency driving Singapore’s digital transformation, to develop a conversational style chatbot, providing guidance to taxpayers in fulfilling their tax obligations and improving its services based on user feedback. The chatbot also allows them to perform transactions securely (e.g., make payment, revise payment plan and request to waive penalties).

IRAS (Singapore) also uses Neuro Vision, an automatic attention prediction AI tool, to optimise IRAS’ webpage designs by reorganising key content to make the pages more intuitive and clear for taxpayers.

Tajikistan

In the Republic of Tajikistan, the necessary efforts are being made in the gradual digitalization of all sectors of the economy, public administration and business. In the Tax Committee, within the framework of the practical implementation of the Concept of the Digital Economy in the Republic of Tajikistan and the Tax Administration Development Program for 2020-2025, most public services to taxpayers and citizens are carried out using modern information technologies in electronic format.

The purpose of the Tax Administration Development Program is to simplify and improve services to citizens and taxpayers, increase their discipline in compliance with tax legislation, improve tax administration, improve tax relations and feedback with taxpayers and expand the digitalization of tax authorities.

Digitalization of tax authorities, first of all, makes it possible to provide tax services to taxpayers and the population without a physical visit to the tax authorities, bypassing contacts with tax authorities, and will also ensure prompt and modern exchange of information between government agencies. Today, about 97.7% of legal entities and 66.2% of individuals, including dehqan farms, submit their tax returns electronically.

Currently, the Tax Committee’s Tax Management Information System allows business entities to register their business activities as individual entrepreneurs or legal entities electronically within 24 hours.

Taxpayer services in the Republic of Tajikistan are based on feedback from taxpayers. In accordance with the order of the Chairman of the Tax Committee dated 02.06.2022, No. 294 “On the implementation of electronic appeals of taxpayers”, all types of taxpayer appeals to the central office of the Tax Committee and local tax authorities are carried out in electronic form through the “Personal Account of the Taxpayer”. Responses to taxpayer appeals are also sent electronically to the “Personal Account of the Taxpayer”.

Also, in order to provide services to citizens and taxpayers at a modern level, simplify the fulfillment of tax obligations, in accordance with the requirements of Article 167 of the Tax Code of the Republic of Tajikistan, by order of the Chairman of the Tax Committee dated 28 March 2022, No. 170, the “Unified Standard of Taxpayer Services” was approved.

The Unified Standard of Taxpayer Service defines the administrative rules for servicing taxpayers, including the form/type of service, entities to whom services are provided, the legal basis, and regulations for servicing taxpayers.

In addition, the Tax Committee has a Contact Center, where Committee specialists answer questions and requests from taxpayers and citizens online every day. Taxpayers can contact the Tax Committee Information Center by dialing phone numbers 151, 152, by email at info@andoz.tj, through the online Chat, the taxpayer’s personal account or any other convenient form for them, with questions, requests, wishes and submit their complaints to the Tax Committee and receive appropriate responses. The advantage of such electronic services of the Tax Committee is that taxpayers receive answers to their questions online in the shortest possible time and efficiently, without wasting time and money. For this reason, written requests are less common and in most cases requests are submitted by phone, email or in the taxpayer’s personal account.

The Tax Committee publishes the weekly newspaper “Boju Hiroj” in order to raise awareness of citizens and taxpayers about the tax legislation and innovations in it in the Republic of Tajikistan. The newspaper’s circulation is more than 100 thousand copies. The newspaper mainly publishes materials devoted to the state policy of the Republic of Tajikistan on finances and taxes.

Also, since 2007, the official website of the Tax Committee www.andoz.tj has been used by citizens, taxpayers, investors as a single information and communication source. Today, more than 70 percent of taxpayers in the Republic of Tajikistan actively use the website of the Tax Committee, which contains more than 40 types of electronic services. Also, in order to increase the legal awareness of taxpayers and investors, as well as assistance in fulfilling tax obligations, the website of the Tax Committee contains training videos and other necessary information for doing business in the Republic of Tajikistan, from registering a business entity to paying taxes using bank cards or mobile applications.

3.5.2 Tax Official End

Indonesia

The Directorate General of Taxes (DGT) of Indonesia has updated Tax Administration Core System and redesign 21 business procedures based on the Commercial Off-the-Shelf (COTS) information system. Improving the tax database makes the tax system simple, reliable, integrated, accurate and clear.

Kazakhstan

The State Revenue Committee of Kazakhstan develops an automatic desktop control system for information analysis and risk management. If taxpayers engage in illegal activities such as issuing false invoices, the system will give a prompt, and taxpayers can correct it.



Myanmar

The IRD of Myanmar develops the Integrated Tax Administration System (ITAS), and updates data centers and official websites. By optimizing the system, the IRD maximizes the use of information technology instead of paper systems. The IRD ensures adequate computers to all staff in the IRD nationwide. The IRD purchases a mini data center and combines with the ITAS to provide tax services.

China³⁹

Tax authorities of China deepen and expand 31 measures on the reform of tax administration, and revise and improve *The Code of Practice for Tax Administration*. Tax authorities continuously deepen the pilot project of fully digitalized electronic invoices, build an intelligent application platform covering taxpayer end, tax official end and decision-maker end, and establish a “total-to-total” regular data-sharing mechanism with 24 departments, realizing the intelligent collection of tax data. China establishes and improves a new regulatory mechanism based on “credit + risk”, divides taxpayers into different categories according to their credit rating and risk status, and adopts differentiated regulatory measures. China builds a “tax intelligent support” platform, and forms a “red-yellow-blue” three-level real-time intelligent early warning mechanism that effectively reduces the risk of the levy on taxpayers.

3.5.3 Data Sharing

Kazakhstan

The State Program “Digital Kazakhstan” was approved in 2017. The program is aimed at developing digital technologies in key sectors of the country. Improving the quality and quantity of online public services makes government agencies more efficient and open. Banks must provide tax authorities with payment and transfer information, such as privately-owned businesses qualified for special tax systems, payment and transfer to foreign Internet companies, and income from business activities through personal accounts of business owners rather than corporate accounts.

China⁴⁰

The tax authorities of China explore the application of blockchain technology in social insurance payment and real estate transaction and registration. China improves big data cloud platform and strengthens the development of data resources. Tax cloud platform is closely connected to national and departmental IT systems. State Taxation Administration of China builds inter-departmental information chains and establishes a regular inter-departmental data exchange and sharing mechanism with 21 departments. In conjunction with 29 departments, including the National Development and Reform Commission and the People’s Bank of China, 41 joint incentive measures have been implemented for taxpayers with A-level tax credit. In conjunction with 34 departments, including Ministry of Industry and Information Technology and Ministry of Public Security, 28 joint disciplinary measures have been implemented for parties involved in cases of major tax violations. State Taxation Administration and General Administration of Customs sign a

39 <https://www.chinatax.gov.cn/chinatax/n810219/n810724/c5221224/content.html>

40 <https://www.chinatax.gov.cn/chinatax/n810219/n810724/c5212088/content.html>

<https://www.chinatax.gov.cn/chinatax/n810219/n810780/c5164118/content.html>

memorandum of cooperation on “Promoting Data Sharing and Deepening Collaborative Governance”.

Serbia

The STA (Serbia) has been electronically connected to the Central Register of Compulsory Social Insurance, and through this system, the STA can access the funds for compulsory social insurance. Also, the STA is connected to the Treasury Administration, through which the flow of budget funds is monitored, Ministry of Interior and commercial banks.

3.6 Enlarging Openness and Sharing

On the basis of the platform of the BRITACOM, the BRI jurisdictions deeply participates in global tax governance system, and further promotes the openness and sharing in the tax field.

3.6.1 Deeply Participating in Global Tax Governance

Ecuador⁴¹

Tax authorities of Ecuador have signed a wide network of agreements to avoid double taxation with several countries. These agreements are regarded not only as an instrument to attract investment, but also as an instrument to combat harmful tax practices through the reinforcement of anti-abuse clauses as well as information exchanges and mutual administrative assistance clauses.

China⁴²

Tax authorities of China voluntarily participate in the formulation and adjustment of international tax rules. Necessary actions are taken around the *Base Erosion and Profit Shifting (BEPS) Action Plan*, the *Amendment to the United Nations Double Taxation Model Convention*, the *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations*. Tax authorities continuously expand the coverage of tax treaty network. To date, the coverage of tax treaty network in China has increased to 114 jurisdictions, basically covering the main destinations of China’s outward investment and the main countries and regions for inward investment in China.

Hong Kong, China⁴³

Hong Kong, China has signed comprehensive double taxation agreements/arrangements (CDTAs) with 50 jurisdictions, which cover various types of income. Besides, Hong Kong, China is in negotiations of CDTAs with 17 jurisdictions.

Iran⁴⁴

Iran has signed more than 50 double taxation agreements with different jurisdictions.

Macao, China⁴⁵

41 <https://www.britacom.org/zt/ThemeDay/SixthEVENT/>

42 <https://www.chinatax.gov.cn/chinatax/n810219/n810780/c5221403/content.html>

43 <https://www.britacom.org/zt/ThemeDay/FIRSTEVENT/>

44 <https://www.britacom.org/zt/ThemeDay/FourthEVENT/>

45 Source: Macao China-Financial Services Bureau(2024)



As a founding member of World Trade Organization, Macao, China implements zero tariffs on all the imported products. Since 1999, Macao, China has signed multiple international agreements, including direct trade agreements and foreign trade agreements. Now, Macao, China are actively negotiating with relevant parties and will conclude more international agreements. Meanwhile, Macao, China firstly endorsed the OECD information exchanges standards in 2005 and passed the *Exchange of Information for Tax purposes Act* in 2009.

New Zealand

In recent years, tax authorities of New Zealand have enacted several measures to improve its ability to tax multinationals. For example, *The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting* or the BEPS MLI amends most of New Zealand's bilateral double taxation agreements (DTAs) to prevent them from being used to facilitate BEPS activities.

3.6.2 Fostering the Development of the BRITACOM

China

In April 2019, tax authorities of China hosted the First BRITACOF, signed the *Memorandum of Understanding on the Establishment of the BRITACOM*, and joined the BRITACOM as a Member Tax Administration. Since the establishment of the BRITACOM, tax authorities of China have actively participated in various activities and training programs, made keynote speeches and expressed their views in forums, seminars and Theme Day events, and built Belt and Road Initiative Tax Academy in Yangzhou and Beijing, providing speakers and other resources for the Belt and Road Initiative Tax Administration Capacity Enhancement Group (BRITACEG).

Kazakhstan

Tax authorities of Kazakhstan signed the *Memorandum of Understanding on the Establishment of the BRITACOM* in the First BRITACOF, and joined the BRITACOM as a Member Tax Administration, and hosted the Second BRITACOF in September 2021. Tax authorities of Kazakhstan have actively participated in forums, seminars and Theme Day events, made keynote speeches and expressed their views, built Astana Belt and Road Initiative Tax Academy, and attended the trainings of the BRITACEG.

Algeria

During the First BRITACOF held in 2019 in Wuzhen, China, the General Directorate of Taxes of Algeria, represented by the Embassy of Algeria in Beijing, signed the *Memorandum of Understanding on the Establishment of the BRITACOM* as a Member Tax Administration. In September 2022, the General Directorate of Taxes of Algeria hosted the Third BRITACOF. Additionally, the General Directorate of Taxes of Algeria has actively participated in forums, seminars and Theme Day events, made keynote speeches and expressed their views, and attended the trainings of the BRITACEG.

Georgia

The Revenue Service of Georgia signed the *Memorandum of Understanding on the Establishment of the BRITACOM* in the First BRITACOF, and joined the BRITACOM as a Member Tax Administration. The Revenue

Service of Georgia hosted the Fourth BRITACOF in September 2023. The Revenue Service of Georgia has actively participated in forums, seminars and Theme Day events, made keynote speeches and expressed their views, and attended the trainings of the BRITACEG.

Hong Kong, China

The IRD of Hong Kong, China signed the *Memorandum of Understanding on the Establishment of the BRITACOM* in the First BRITACOF, and joined the BRITACOM as a Member Tax Administration. Hong Kong, China hosted the Fifth BRITACOF on 24 to 26 September 2022. The IRD of Hong Kong, China has actively participated in forums, seminars and Theme Day events, made keynote speeches and expressed their views, and attended the trainings of the BRITACEG.

3.6.3 Serving Cross-border Trade and Investment

Iran⁴⁶

As required by tax authorities of Iran, exports of goods in the commodities and services from Iran shall be exempted from taxation. Iran has good incentives for investment. If the investor carries out the investment through an Iranian organization for promotion of investment, it will bring additional government subsidies to the receiving companies.

Nigeria⁴⁷

Nigeria has up to 42 special economic zones. In addition, Nigeria employs a variety of investment attraction instruments, including fiscal incentives, preferential customs treatment, investment and trade facilitation tools, value-added services and the provision of social amenities.

Myanmar

Investors enjoy income tax exemption and commercial tax exemption in accordance with *Myanmar Investment Law* and *Myanmar Special Economic Zone Law*. The investments covered in investment-promoted sectors should be granted income tax exemption if it is applied to the Investment Commission. Investment-promoted sectors have been prescribed by Myanmar Investment Commission. *Myanmar Investment Law* stipulates profit-based tax holidays ranging between 3 and 7 years depending on the location of investment and other tax incentives. After termination of the tax exemption period, taxes of reinvested profits are completely exempted. *Myanmar Special Economic Zone Law* targets export-oriented firms. Initial tax holidays range between 5 and 7 years. Subsequently, 50% of profits are exempt for another 5 years.

China

Tax authorities of China actively participated in the formation and implementation of international tax information exchange mechanism. By signing *The Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information* and issuing *The Administrative Measures for Due Diligence on Tax-related Information of Non-residents*, tax authorities further enhance tax transparency,

⁴⁶ <https://www.britacom.org/zt/ThemeDay/FourthEVENT/>

⁴⁷ https://www.britacom.org/zt/ThemeDay/Third_Event/



jointly combat cross-border tax evasion and avoidance, prevent and eliminate cross-border double taxation, and promote cross-border trade and investment. The integrated and innovative “Tax Express” cross-border tax service brand provides taxpayers with more professional, standard and international tax services. Tax authorities update and release 4 types of products on cross-border investment and tax knowledge, i.e. 105 national or regional guides for investment and tax, 99 tax guides for “going out”, 15 overseas taxation cases, and 34 frequently asked questions for cross-border taxpayers. Tax authorities totally push guides for investment and tax and bills of tax dividend to more than 130,000 cross-border taxpayers throughout the year, continuously facilitating overseas trade and investment. *The Guidelines on Tax Policies for Stabilizing Foreign Trade and Investment* has been updated and released, detailing 51 preferential policies. This sends a positive signal of sustainable opening-up.

Uruguay⁴⁸

In Uruguay, the treatment for foreign and domestic investor is equal and legally protected. The foreign exchange market is free and open, without restrictions for the repatriation of global profits. The single window for investment is a new project that Uruguay started in May 2023, but was created by the law in 2022. The single window for investment is a tool for investors that simplifies the necessary procedures by involving the public sectors to establish a business in Uruguay. Also, Uruguay signed the *Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information*.

48 <https://www.britacom.org/zt/ThemeDay/SixthEVENT/>

Chapter 4

Suggestions for Future Development

4.1 Strengthening Basic Guarantee of Tax Laws

Relevant departments need to establish clear tax legal systems and administration procedures to ensure the predictability and consistency of tax-law application, as well as the standardization and uniformity of tax administration. Relevant departments should enhance the transparency of tax legal systems and tax administration procedures, standardize tax law-enforcement procedures and accurately crack down on tax-related illegal and criminal activities. Additionally, relevant departments can establish and improve dispute resolution measures such as administrative reconsideration and legal remedy.

4.2 Reasonably Implementing Tax Preferential Policies

Relevant departments are advised to introduce predictable and relatively stable tax preferential policies promptly, simplify the requirements for enjoying tax preferential policies, and reduce the additional costs incurred by taxpayers who obtain tax preferential policies. Relevant departments should proactively promote tax preferential policies to eligible taxpayers and improve the efficiency of policies. Relevant departments need to establish intelligent consulting systems to continuously provide consulting services on tax preferential policies.

4.3 Simplifying Tax Materials

Relevant departments need to shorten the days for tax declaration and obtain the data items that taxpayers repeatedly submit. Relevant departments can simplify the declaration forms, and facilitate tax compliance among taxpayers. Relevant departments should simplify the submission of tax-related materials and provide channels for paperless submission. Besides, relevant departments can simplify the procedures for handling tax-related matters and avoid temporary obstruction or restriction.

4.4 Facilitating Tax Compliance among Taxpayers

Relevant departments need to develop non-contact tax services and improve the efficiency of handling tax-related matters. Relevant departments can promote the transformation from indiscriminate services into targeted services. Relevant departments may set up service branches to handle the daily enquiries of taxpayers. Relevant departments should expand and standardize social service resources to meet the needs of taxpayers for customized and professional services.



4.5 Building Smart Information Systems

Relevant departments need to formulate plans for information-based tax development in line with their conditions, consolidate the foundation for tax big data, and improve the ability to control the quality of tax data and analyze and apply tax data. Relevant departments should highlight the protection of data security and prevent the leakage of taxpayer's information. Relevant departments can strengthen information security management systems and reduce the compliance costs incurred by taxpayers in declaration and payment.

4.6. Jointly Shaping International Tax Order

Relevant departments need to actively participate in the construction of the BRITACOM, and strengthen the communication and cooperation in formulating and implementing consistent international tax rules and guidelines. Relevant departments can enhance international tax cooperation, improve the mechanism for preventing tax disputes, and bolster policy guidance for domestic investment of foreign-funded enterprises and overseas investment of domestic enterprises.

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