

d·i·e

Deutsches Institut für
Entwicklungspolitik



German Development
Institute



8th International Workshop on Domestic Revenue Mobilization: “Taxation and digitalization”

1-2 October 2019, Bonn

German Development Institute/Deutsches Institut für Entwicklungspolitik (DIE)

d.i.e

Deutsches Institut für
Entwicklungspolitik



German Development
Institute



8th International Workshop on Domestic Revenue Mobilization:

“Taxation and digitalization”

German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)
Bonn, 1-2 October 2019

Digitalization should be considered a transformative factor for tax systems worldwide. The use of ICT in economic transactions and tax administrations entails the prospect of addressing tax compliance, evasion, and avoidance in new ways. Increased information could also provide new opportunities for tax policy design. Digitalization could lead to a unified database on taxpayers' income, consumption, and wealth. By conditioning tax schedules on such information, governments can target income redistribution better and in potentially more efficient ways. Digitalization may also ease a more complete integration of tax and social benefit systems.

However, digitalization also poses serious challenges. Tax authorities are faced with new business models, amplifying deeper problems in the current system. Public debate tends to focus on the taxation of big global players such as Google or Amazon, but the digitalized economy is a universal phenomenon that permeates all economic sectors in all countries, and tax systems are struggling to deal with this reality. Digitalization also raises important questions regarding the collection and management of data by public authorities.

Digitalization has the power to lead to a profound reshaping of the fiscal contract between taxpayers and the state, but the process has to be managed wisely in order to generate the desired benefits for society. The potential misuse of vast new amounts of data by government or vulnerabilities to cyberattacks are concerns that could undermine effective international cooperation in tax matters as well as the domestic collection of taxpayer data for tax policy design and implementation. Issues of data protection and rule of law need to be addressed in an open and inclusive manner. As digitalization moves the limits of what governments can and should do, it has to be embedded in broader societal debates on governance and legitimate rule.

Against this background, this DIE-IMF workshop brings together scholars, government officials, representatives from international organizations and other experts to discuss ongoing research and initiatives in this area and assess their policy implications.

Agenda

Tuesday 1 October

09:30– **Welcome**

10:30 *DIE*

Opening Address

Petra Schmidt, BMZ

Introduction

Alexander Klemm, IMF

Christian von Haldenwang, DIE

10:30 – **Digitalization, Taxation and the Fiscal Contract**

11:30 Chair: Eva Kirch

Digital Strategies for Developing Countries

Timo Laukkanen (OECD & Finnish Tax Authority)

Digitalizing the Fiscal Contract: Opportunities and challenges for e-government and taxation in developing countries

Christian von Haldenwang (DIE)

Discussant: Armin von Schiller (DIE)

11:30 – **Coffee break**

12:00

12:00 – **Digitalization and Tax Performance**

13:00 Chair: Shafik Hebous (IMF)

Are ICTs boosting tax performance?

Jean-François Brun (Univ. Clermont Auvergne, CERDI)

What types of tax revenues do more digitalized tax administrations mobilize? Empirical insights from cross-country panel data

Sabine Laudage (DIE)

Discussant: Maria Jousté (UNU-WIDER)

13:00 – **Lunch break**

14:00

14:00 – **Digitalization and Tax Compliance (I)**

15:00 Chair: Jörg Nadoll (GIZ)

Development of a risk and compliance system in the Cameroon Directorate General of Taxation

Eva Kirch & Sanna Hermansson (Revenue Development Foundation)

Do tax administrative interventions targeted to small businesses improve tax compliance and revenue collection? Evidence from Ugandan Tax Administrative Data

Maria Jousté (UNU-WIDER)

Discussant: Sabine Laudage (DIE)

15:00 – **Coffee break**
15:30

15:30 – **Digitalization and Tax Compliance (II)**
16:30

Chair: Frankie Mbuyamba (ATAF)

Digitalization, Tax Compliance and Revenue Mobilization: VAT e-invoicing in Peru
Matthieu Bellon (IMF)

Streamlining Tax Compliance and the Use of New Technologies
Julia de Jong (IBFD)

Discussant: Jean-François Brun (Univ. Clermont Auvergne, CERDI)

16:30 – **Short break**
16:45

16:45 – **Tax and Digital Financial Services**
17:45

Chair: Alex Klemm (IMF)

Digitalisation of taxes: Does tax payment through mobile money services affect tax revenue collection performance in Sub-Saharan Africa?

Seydou Coulibaly (Univ. Clermont Auvergne)

Insights from the Digital Financial Services & Taxation Working Group
Rosita Najmi (Gates Foundation) & Jeremiah Grossman (BFA Global)

Discussant: Michael Roll (DIE)

18:00 – **Reception**
20:00

Wednesday 2 October

09:00 – Tax Policy Issues of Digitalization

10:00 Chair: Maria Reese (GIZ)

Alexa and Siri Do Not Pay Taxes! On the Incidence of Robot Taxes
Shafik Hebous (IMF)

Taxation of Digital Platforms
Marko Köthenbürger (ETH Zurich)

Discussant: Jakob Schwab (DIE)

10:00 – Short break

10:15

10:15 – The Role of International Cooperation

11:15 Chair: Yakubu Anderson (Ghana Revenue Authority)

Tax policy and resource mobilisation issues of digitalisation in developing countries
Jörg Mayer (UNCTAD)

Developing a Consensus Solution for the Tax Challenges Arising from the Digitalisation of the Economy

Tibor Hanappi (OECD)

Discussant: Paul Marschall (DIE)

11:15 – Coffee break

11:45

11:45 – Final Panel: Future Issues of Tax and Digitalization

12:30 Chair: Christian von Haldenwang (DIE)

Nara Monkam (ATAF)

Alex Klemm (IMF)

Mick Moore (ICTD)

Julia de Jong (IBFD)

12:30 – Closing remarks & good-bye

13:00

13:00 – Light lunch and depart

14:00