



**KEY PRIORITIES
IN INTERNATIONAL TAXATION**

**THE
2023/2024 GTAP
DECLARATION
HELSINKI – TOKYO – BENIN**

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GTAP is an international organisation uniting tax professionals from around the world. The term “tax professionals” includes persons engaged at a professional level with tax practice, as lawyers, as accountants or as advisers, and accredited as such pursuant to applicable national law.

The principal purpose of GTAP is to promote the public interest in taxation by ensuring the fair and efficient operation of national and international tax systems. This includes the recognition of the rights interests and responsibilities of taxpayers, tax administrators and tax professionals.

To this end, GTAP provides the platform for regular meetings, exchange programmes, dialogue and interaction of tax professionals from all continents.

In accordance with the mandates of the GTAP meetings in HELSINKI – TOKYO – BENIN, GTAP is hereby defining the key priorities for the pursuit of its principal purpose and responsibility to contribute and shape current and future developments in global tax policies.

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THE 2023 GTAP DECLARATION

Many difficulties in cross-border taxation are due to different understandings of legal concepts and different classifications of arrangements, due to differing legal traditions and conflicts of law.

Acting within the limits of the law is a fundamental right and expectation of each taxpayer.

Taxpayers need legal certainty for planning their business and managing their assets over the long term.

GTAP is committed to bring to stakeholders' attention the relevance of streamlined tax system operations, both internationally and nationally, in order to guarantee equitable and fair taxation for the benefit of citizens, governments, taxpayers and their advisers.

Tax advisers play an important role in ensuring taxpayer compliance. They are bound not only by law but also by codes of conduct of their professional bodies. Tax advisers' independence must be recognised by tax authorities and safeguarded.

GTAP is committed to continuing taking proactive initiatives founded on its commitment to high professional standards in tax advice and tax practice, seeking to disseminate ethical professional judgment across all tax advisers worldwide.

Furthermore, GTAP is committed to improved tax systems which are more human-centred and able to promote responsible, ethical and sustainable

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business conduct.

GTAP believes there is the need to revisit the current business ecosystem, to ensure the promotion of more socially, ethically, and environmentally and economically sustainable business.

Furthermore, GTAP reiterates the need for increased tax certainty and strengthened taxpayer rights in order to promote increased tax morale among individuals and businesses.

Finally, GTAP welcomes the developments within the tax technology field, but strongly urges co-operative working with revenue administrations to enable the definition of secure ethical boundaries and regulatory frameworks which will be bulwarks for the prevention of any misuse of such fast evolving technology and ensure the protection of fundamental taxpayer rights in a digital world.

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1. Tax System fit for Human Growth

Welfare and progress of the global community presupposes continuous development at a sustainable rate. Taxation is one of the main factors influencing growth and development. It has been evidenced that the distribution of the tax burden can encourage or discourage economic development. Moreover, tax policy influences the key direction of development, e.g. from gender-responsive and equality-promoting policies to sustainable environmental protection.

GTAP calls for constructing a global tax framework that encourages stable economic and human growth, widely diffused around the globe and oriented towards improvement of living conditions for all and welcomes a coordinated approach at tax policy level to that end. We share the commitment to improving tax morale as a policy course of action with the most meaningful impact on capacity building and economic growth.


The law will have to set out in a clear and unambiguous manner which arrangements are acceptable and which are not. Acting within the limits of the law is a fundamental right of each taxpayer.

Uncertainty arises from the notion of the spirit of the law prevailing over the letter of the law.

States should not seek to introduce unclear concepts like “aggressive tax planning” which blur the distinction between legal and illegal conduct and are subject to the vagaries of public opinion.

Tax systems should provide for a certain level of flexibility to be able to respond to developments in the tax field and to minimise compliance costs.

In addition, GTAP members aspire to promote policies leading to increased tax certainty and voluntary compliance as a means for

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improved tax good governance. These are key elements of a tax system fit for growth.

2. Tax Transparency

Transparency has to be weighted against the taxpayer's right to confidentiality.

It is important that tax authorities have the relevant information upon which to base their assessments and to minimize opportunities for fraud and evasion.

GTAP welcomes the developments in tax transparency provided the right balance and assurances of taxpayer rights to confidentiality are safeguarded and calls on relevant bodies to pursue such balance.

3. Taxpayer Rights

Transparency and anti-avoidance regulatory initiatives have increased powers of tax administrations worldwide to tackle fraud and evasion, with automatic exchange of information as a new standard. It is against such background that taxpayer rights must be balanced, maintained and protected.

Taxpayer rights are not granted by the state but are inherent and fundamental rights. **It is a strong commitment of GTAP members on one hand to advocate for a balanced approach to taxpayer rights and obligations, while on the other hand to see them as a necessary prerequisite for an increased mutual trust of and by taxpayers, tax advisers and tax administrations.**

While some tax administrations have shown openness towards a relationship of mutual trust in which both advisers and administration help a taxpayer comply with the law, a change of mindset is still needed in other jurisdictions. This endeavour will only be worthwhile if the result is not a mere political statement of intent but has legal force and can be

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invoked by citizens and businesses.

Adequate guarantees are a mainstay for the desired fair and efficient tax system as well as for any truly democratic community. Such guarantees are equally a prerequisite for tax professionals to carry out their assignments.

Sustainable growth is contingent on effective tax compliance. As such, taxpayers' active and willing compliance ensures more efficient collection of sufficient resources, necessary for fulfilment of the social contract between citizens and governments. When taxpayers' rights are not sufficiently guaranteed, taxpayers' active and willing compliance is undermined. A tax framework that cannot adequately address the current evolving reality results in uncertainty at the expense of tax compliance and economic growth.

Consequently, in a dynamic global economic framework, taxpayers' rights should serve as a beacon of certainty. **Certainty with equity, simplicity, and convenience have been noted as the ingredients of an efficient tax system.**

GTAP underlines the fundamental importance of taxpayers' rights for tax good governance, and the role played in this respect by the statements of taxpayer, and tax administration, rights and obligations.

GTAP reiterates the need to ensure minimum standards, and improved taxpayer charters tailored to ensure an effective protection of taxpayers' rights. To this end, GTAP members urge governments and international bodies to promote a "fundamental right of tax certainty". This right is promulgated in the Model Taxpayer Charter, an initiative of GTAP organisations, CFE Tax Advisers Europe, AOTCA and STEP.



4. Tax and Climate Change – Sustainable Tax Policies and Circular Economy

Future-proof tax systems provide a necessary transition from today's public finance needs to tomorrow's sustainable policies.

Climate changes affects us all, and taxation systems can play an important role in ameliorating climate change.

Tax policy is a key tool to internalise environmental costs and foster the transition to a low carbon economy, for the generations to come.

Well-designed systems of energy taxation encourage citizens and investors to favour clean over polluting energy sources, particularly when negative externalities need to be addressed. Taxes on energy use also can contribute to limiting health damage from local pollution by disincentivising it, a very pertinent policy concern in an urbanising world. However, whilst fuel excise and carbon taxes are simple and cost-effective tools to limit climate change, the politics of carbon pricing can be challenging and occasionally intractable.

GTAP members welcome the opportunity to share their unique knowledge on tax with governments and other international stakeholders in the process of transition to a low carbon global economy. We accept that tax policy is a crucial tool to internalise environmental costs and help in the transition to a low carbon economy, for the benefit of future generations. Our members renew their commitment to use their knowledge of taxes, economic structures and financial systems in co-operation with governments and other global bodies in implementing the transition to a low carbon global economy.

Furthermore, GTAP agrees that it is urgent to depart from the traditional, *linear* economic model, which is based on a take-make-consume-throw away



pattern¹, and reiterates the need to accelerate the transition to a circular economy.

GTAP wholly embraces these ambitions and will cooperate fully with national and international institutions to facilitate the transition from the current economic structure to a circular model. GTAP believes it is necessary to research and encourage the adoption of new and ambitious tax models which contribute to an economic structure for a sustainable future.

5. Tax and a Human-Centered Business Model

GTAP highlights the need to embrace a human-centred business model - a model aligned with the overall desire of increased Corporate Social Responsibility (CSR).

Building upon the framework established by the Universal Declaration of Human Rights, the Human-Centred Business Model (HCBM) attempts to balance profitability with social and environmental sustainability, as well as ethical and integrity principles. In doing so, it incorporates key concepts of good governance, democracy and human rights. GTAP believes that we need to invest in new business models that combine in an equal manner: profit-seeking approach with ethics, social and environmental sustainability objectives.

GTAP is fully committed to the pursuit of the above-mentioned goals and is ready to discuss and cooperate with the appropriate institutions to play its part in this collective effort.

6. Tax and the Digital World/ Artificial Intelligence

Economic and social growth, now and for the foreseeable future, is

¹ [Circular economy: definition, importance and benefits | News | European Parliament \(europa.eu\)](https://ec.europa.eu/economy_finance/press_corner/2018/en/20180927_circular_economy_definition_en.htm)

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inextricably linked with digital development. As technology becomes a pillar of business and daily life, development of global economic and social systems requires the adoption of an approach to digital development which is transparent and capable of interaction². Technology is expanding and new concepts invade the market requiring increased attention from a regulatory point of view (metaverse, AI, 3D printing, just to mention a few). If we are to avoid digital chaos and the risk of human alienation, we must have tax rules that inspire the consensus of national legislators to act globally. **Digital change must be shaped with a human-centred approach.**

Furthermore, the fast-evolving pace of tax technology raises concerns within the field of fundamental rights, ethical boundaries and demands more regulated systems in order to prevent the misuse of technology.

GTAP is ready to accept embrace and participate in formulating an appropriate response to these changes. Because of the speed at which the digital environment is changing, solutions must be oriented for the future, and call for a coordinated international tax policy response to the challenges generated by digitalisation.

To do so tax professionals need to qualify to exploit the new technologies' potential, to extract and combine data, to program executive activities, and to give correct instructions.

GTAP will work to ensure tax professionals are fully provided with procedures and tools to master new technologies, maximize their value and be competitive in an evolving market.

Artificial Intelligence is both a significant opportunity and a challenge to existing systems and models, as well as established professions. Its effects will be profound if not existential. We advocate for better transparency of experiments with AI and global alignment

² Cf. OECD <<https://www.oecd.org/tax/beps/public-consultation-document-addressing-the-tax-challenges-of-the-digitalisation-of-the-economy.pdf>>, United nations <<https://www.un.org/esa/ffd/wp-content/uploads/2019/04/2019-ECOSOC-Tax-meeting-Taxation-and-digitalization-of-the-Economy-Issue-note.pdf>>, International Monetary Fund <<https://www.elibrary.imf.org/view/IMF071/24304-9781484315224/24304-9781484315224/ch02.xml?redirect=true>>, World Bank <<https://www.worldbank.org/en/events/2019/10/04/strengthening-tax-systems-in-a-digitalizing-world>> accessed 10 November 2019.

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of industry which is committed to explore AI for the benefit of humanity. Whilst we see the potential of generative AI to help tax professionals, we can also see the risks of the rise of generalised AI not only for tax professionals, but also for civilisation. We call on policymakers and industry for global alignment and cooperation in setting out further policy on regulation.

7. Tax Morale

GTAP reiterates that tax morale is a crucial component of a tax system. It influences the likelihood that taxpayers will pay their taxes, their belief in the integrity of government, their perception of corruption, and their belief in the redistributive approach at the base of a nation's social welfare³.

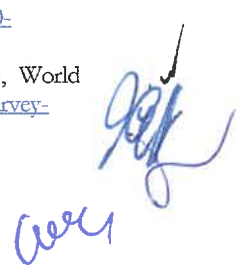
The concept of tax morale is dependent on the mutual trust between the taxpayer, tax adviser and government. Policy developments in this direction are welcomed by GTAP as these will have a positive impact on taxpayers' tax morale and tax compliance in general.

GTAP recognises that the need for increased focus on tax morale is particularly relevant for developing countries, where improved public service delivery is directly related to improved tax morale.

8. Tax culture and ongoing education

Apart from qualified tax professionals, a fair and efficient tax system requires well informed taxpayers and authorities. All parties of the tax relationship must have knowledge of the fundamental principles of taxation,

³ Cf. OECD <<https://www.oecd-ilibrary.org/sites/f3d8ea10-en/index.html?itemId=/content/publication/f3d8ea10-en&mimeType=text/html>>, International Monetary Fund <<https://www.imf.org/external/np/fad/pct/pdf/Progress%20Report%20G20%20Tax%20Certainty%202019.pdf>>, World Bank <http://documents.worldbank.org/curated/en/986411557941098413/pdf/Voice-and-Punishment-A-Global-Survey-Experiment-on-Tax-Morale.pdf> accessed 10 November 2019.



their responsibilities and rights.

GTAP is committed to enable the building of such culture. GTAP seeks to ensure that all people all over the world have a real chance to understand taxes and are enabled to be active participants in tax systems and policy development. To this effect, GTAP favours the introduction of relevant lessons into schools and continuous availability of online courses.

9. Role of tax professionals and Tax Advisers Without Borders (TAWB)

GTAP is committed to high professional standards in tax advice and to the promotion of ethical professional judgment across all tax advisers.

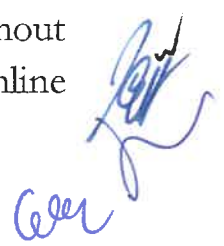
Trust is an essential tool for the ongoing relationship between tax advisers, their clients and tax administrations.

Short term disclosure requirements, introduced as an emergency measure, threaten to drive taxpayers away from their professional advisers.

Nonetheless, as a rule, tax professionals' services are necessary to ensure tax compliance. Tax professionals are the persons most qualified to interact with the tax authorities representing taxpayers to the latter's best interests. Tax professionals can render taxpayers and tax authorities' communications successful and effective, advising taxpayers on a continuing basis on their rights and obligations.

GTAP undertakes to increase the trust in tax professionals by, amongst other initiatives, establishing a common code of conduct for the provision of tax advice in a global tax world.

GTAP undertakes to ensure that tax professionals in emerging economies can respond to the needs of a global tax jurisdiction. To this end, GTAP renews its commitment to the TAWB (Tax Advisers Without Borders) function to promote exchange programs, conferences, online



courses and interaction platforms, digital tools and respective training. Equally, it will continue promoting dissemination of information on the tax systems of emerging economies for the benefit of tax professionals in more developed countries.

This Declaration is a GTAP commitment to contribute to the above area

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