



10 KEY PRIORITIES

IN INTERNATIONAL TAXATION

BY GLOBAL TAX ADVISERS PLATFORM

(GTAP)

“THE ULAANBAATAR DECLARATION”

12 SEPTEMBER 2018



GTAP is an international platform that brings together national and international organizations of tax professionals around the world. The term “tax professionals” includes persons engaged at professional level with tax consultancy, as lawyers or as accountants, and accredited as such pursuant to applicable national law, irrespective of membership of GTAP.

The principal purpose of GTAP is to promote the public interest by ensuring the fair and efficient operation of national and international tax systems including recognition of the rights and interests of taxpayers and the role of tax professionals. To this end, GTAP shall provide the forum for the regular meeting, dialogue and interaction of tax experts from all continents.

GTAP’s fundamental principle is that taxpayers’ and tax advisers’ interests are better pursued and served within a fair and efficient global tax framework. Such context shall favor effective provision of tax advice, continuous improvement of services, smooth cooperation among tax advisers, taxpayers and authorities, respect and professional excellence.



GTAP is conceived and developed to respond to the tax needs of the modern world. From the perspective of international taxation, the current era is marked by:

- (i) International and supranational lawmaking and advisory bodies, such as the European institutions and the OECD;
- (ii) Transnational taxpayers, i.e. groups of entities structuring their activities without frontiers; and
- (iii) National tax authorities cooperating closely at international level.

Territorial boundaries of national tax jurisdictions are fading in favor of a global tax jurisdiction defined by the new technologies. Such technologies are also substituting for a number of tasks which until today were executed by tax professionals. Simultaneously, new opportunities and challenges are opening.



Remarkably, **the ongoing transition has given rise to tax avoidance and evasion** phenomena which have caused misunderstanding of the role of, and prejudice against, tax professionals. Hence, it is urgent to enhance trust in the tax profession and reaffirm its role as an enabler of tax compliance.

It is high time that the tax profession evolves to respond to the new context. An international platform can embrace the joint effort of tax professionals of the world to track the developments, exchange views and expertise, formulate holistic approaches and stimulate progressive solutions in international tax. It is the most appropriate step to strengthen our voice in a fast-changing arena.

Tax professionals must globalize, digitalize, and regain trust. The desired evolution is possible only through close cooperation at global level.

Optimization of tax consultancy within the current framework is the GTAP's goal.

The 10 key priorities set for the pursuit of this goal are outlined below.



“THE ULAANBAATAR DECLARATION”

1. Strong cooperation among tax professionals

In a global tax arena, tax professionals cannot be limited by national boundaries. Effective tax consultancy requires that they adopt a global viewpoint, are aware of developments on a global scale, and can give answers for more than one jurisdiction. Taking into account that the tax world is increasingly globalizing, GTAP considers its utmost priority to assist tax professionals in fulfilling the demands created by these changes.

For this purpose, GTAP seeks to ensure availability and diffusion of information on and among different jurisdictions. Therefore, it will employ communication platforms, common data bases, regular meetings and conferences for the exchange of knowledge, experience and ideas, and publications.



2. Inclusiveness, Openness, Global reach

The objective of global tax consultancy can only be achieved in the context of a global network, encompassing all tax jurisdictions.

Inclusiveness is a key principle: GTAP shall be open to each and every professional association of accredited tax advisers in every corner of the world, without distinction.

GTAP embraces difference and believes in the value created by interaction of singularities. Therefore, GTAP will seek to facilitate participation by keeping to the minimum any costs, applying new communication technologies, and organizing its meetings in all continents on a rotational basis.

3. Position of tax professionals in the tax scenario

Trust is an essential tool for the ongoing relationship between tax advisers, their clients and tax administrations. The current global tax framework is defective and its loopholes have allowed practices to develop which are inappropriate in the ethical and constructive global tax system to which we aspire.



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 sole persons qualified to interact with the tax authorities representing taxpayers to the latter's best interests. Tax professionals can render taxpayers and tax authorities' communication 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.

4. Impact on the Renovation of the International Tax Scenario

The international tax scenario is changing. Where territorial tax jurisdiction is fading to give space to a global tax world, territorial regimes lose relevance.



New laws are needed to regulate activities without confines and stateless income.

National and international legislative bodies are striving to identify appropriate criteria beyond national territories and physical presence for the taxation of modern economy.

Tax professionals have much to contribute. Their experience and expertise must be put at the disposal of legislators with a view to creating together a new, fair and efficient system of taxation, fit for the new conditions.

GTAP shall contribute to the discussion, participate in public consultations, take public positions and structure proposals to be used as basis for the new system.

In this respect, it is important that tax professionals express themselves with a single voice that will be heard clearly and loudly.



5. Proposal of a new tax system

In the framework of the renovation of the global tax regime, tax professionals are in a position to offer more than contributions: they can take initiatives. Their position in the centre of the tax relations – interacting with both taxpayers and authorities – grants them unique expertise, allowing them to lead the change.

Therefore, GTAP shall encourage tax professionals of the world to take up the challenge of proposing a new system: simple, flexible, practical, fit for modern business, a system that can reclaim taxpayers' confidence.

6. Taxpayers' Rights

In the construction of the new system and the transition towards it, it is crucial to safeguard the rights of taxpayers. 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.



In this regard, GTAP prioritises taxpayers' right to fair trial, encompassing the right to obtain advice and present one's tax case, and be represented in tax disputes by tax professionals. Establishment of such rights in all jurisdictions around the world will be sought through consultation with lawmakers and competent authorities, diffusion of information, opinion statements and legal actions. It is also necessary to ensure that such rights include the confidentiality of communications between tax professionals and clients. In this regard, Tax Professionals shall give due regard to the compliance obligations of taxpayers and should only act for taxpayers who are compliant or will become so following the actions proposed by the tax adviser.

7. Awareness and Foresight

The tax system is changing due to the evolution of business and economy. Such evolution is endless and the tax world must follow it closely so as to respond quickly to new needs and ensure effective taxation of new types of income and business models.



Tax professionals must be prepared for the change: they must be informed and proactive; they must acquire the tools and qualifications needed to serve new tax regimes.

GTAP shall seek to monitor the changes and keep tax professionals abreast of them through internal dedicated specialized teams with interdisciplinary qualities. Such teams shall be devoted to research and conduct of studies on business and legal developments from the angle of the tax professional.

8. Preparation for the Digital Era

Digital technologies are changing work and life in general. The tax profession could not but be affected: several tasks performed by tax professionals are now a matter of a few clicks. Concerns are accordingly being raised that the tax profession is vanishing.

However, GTAP sees a great opportunity where robots undertake tasks – mainly executive and supportive. It is tax professionals' chance to take new initiatives and innovate.



To do so they 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 provide tax professionals with procedures and tools to master new technologies, maximize their value and be competitive in an evolving market.

9. Tax Advisers Without Borders (TAWB)

The globalizing scenario impacts on relations between advanced and emerging economies. Since the territory of activity is losing relevance, activities in the latter and their potential supervision by tax authorities become particularly important for the global economy. For taxation to work in a global economy, all jurisdictions must be on equal footing.



GTAP undertakes to ensure that tax professionals in emerging economies can respond to the needs of a global tax jurisdiction. To this end, GTAP shall establish a TAWB (Tax Advisers Without Borders) function to promote exchange programs, conferences, online courses and interaction platforms, digital tools and respective training. Equally, it will promote diffusion of information on the tax system of emerging economies for the benefit of tax professionals in advanced countries.

10. 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, their responsibilities and rights.

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



Founders:

CFE, AOTCA, WAUTI

Observers:

STEP, IAFEI, AMA



A handwritten signature in black ink, appearing to be 'F. J. Valera L.'.

CFE

A handwritten signature in black ink, appearing to be '池田 集 隆' (Ikeda Shūryū).

AOTCA

A handwritten signature in blue ink, appearing to be 'W. A. U. T. I.'.

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