

Doc. X GA/R.T.-19

THE INTER-AMERICAN CENTER OF TAX ADMINISTRATORS 1967-1976:

FUTURE PERSPECTIVE

Report Prepared by
the CIAT Executive Secretariat

1 CIAT ORIGINS, STRUCTURE AND OBJECTIVES

In April 1966 through an invitation extended by the Agency for International Development of the United States, tax administrators from 16 countries in the Americas met in Washington, D.C. to participate in a seminar designed to acquaint participants with the organization and functions of the Internal Revenue Service of that country. In the discussion of situations, problems and conditions that were familiar to all of them, it was observed that it would be very fruitful to not only pursue the bilateral relations derived from the observation of the tax office mentioned in particular, but also to promote an open multiple exchange of ideas among all participants on subjects of common interest. As a result, after a three weeks' meeting, a Committee was spontaneously and unanimously elected to explore the means to institutionalize a permanent forum for the exchange of ideas and with the final objective of improving tax administration in all countries. This group, called the "Planning Committee", was formed by Sheldon Cohen and Harold Moss of the United States, Roberto Hoyo and Alfredo Gutierrez of Mexico, Jaime Ross and Tomás Aguayo of Chile, Edison Gnazzo and Emilio Vidal of Uruguay, and Menalco Solís and Targidio Bernal of Panama, having held two successive meetings in Washington, D.C. and in Santiago de Chile. At the Santiago meeting in September 1966 the possible structure of the organization was studied with inclusion of matters such as the legal structure of the same, membership, objectives, internal administration and financing. The Group concluded this working session with the formulation of a draft Statutes and in October met in Panama in order to prepare the technical program for the First Assembly, at which time the topic of "The Role of the Tax Administrator" was chosen. The Republic of Panama was selected as site for the First Assembly held in May 1967. The Statutes formulated by the Committee were approved at the Panama Assembly session of May 2, 1967.

This is, thus, the basic background on CIAT origins. To the 19 founder countries having approved the Statutes on occasion of the First Panama Assembly were afterwards added seven more to complete the current total of 26 member countries (a list of member countries indicating date when they became members may be found under Annex 1).

On the basis of the spirit of its founders and of the provisions of its Statutes, the Center has the following structure and objectives.

- a. It is an international agency of a public nature, formed by tax administrators in the countries in the Americas requesting membership in the same;
- b. Those forming the Center Assembly and considered members of the same are tax officials at the highest level of tax administrations incumbent to the positions to this effect appointed by the Ministries of Finance of each country. Consequently, membership is entirely the right of each country and the permanent character of the membership is found in the position of the respective official. Whenever the official no longer holds this position, he is no longer a CIAT member unless he should hold another position that may equally be appointed for CIAT membership by the respective Minister. The Assembly of Members is the sovereign body of the Center which meets annually to appoint the Executive Council of the Center and,

among other things, discuss the calendar of activities and budget of the Center,

- c. The Executive Council is formed by a President and five Councilors. The outgoing President of each year is an honorary member of the newly elected Executive Council.
- d. The Executive Secretariat, permanent administrative and operational body, is located in the city of Panama. Through Cabinet Decree No. 26 of January 3, 1969, and an agreement of February 7, 1969, the Panamanian Government accepted to host CIAT headquarters and to this effect recognized the diplomatic status of the same and granted a series of special benefits and contributions.
- e. Through a Resolution passed by the Buenos Aires Assembly held in 1968, a Technical Advisory Committee was set up to advise the Center in all matters concerning its activities and topics for technical meetings. At present, the members of this Technical Advisory Committee are Messrs. Carl Shoup, Harold Moss, Oliver Oldman, Nicolas Ardito Barletta and Felipe Pazos. Messrs. Manuel Rapoport and Karl Latcham were also members of this Committee;

The Committee participated in joint meetings with the CIAT Executive Council and Center members in Panama in September 1969 and in Guatemala in May 1973. Several of its members have participated as special guests and speakers at different Assemblies and Technical Conferences of the Center and Mr. Oldman was a member of the Rating Panel for the First CIAT Essay Contest;

- f. The objective of CIAT is that of promoting mutual assistance for the upgrading of tax administration. To this effect, the Center may, among other things, convene meetings and technical conferences, compile and distribute information, edit publications and promote the exchange of specialists and technical research;
- g. CIAT is basically financed through the annual fixed contributions voluntarily accepted and paid by member countries.

2. CIAT ACTIVITIES (1967/1976)

As of its foundation in 1967 up to the holding of the Tenth Assembly in El Salvador in 1976, CIAT has conducted the following major activities:

- 2.1. Annual Assemblies.
- 2.2. Technical Conferences.
- 2.3. Symposia in Tax Administration.
- 2.4. Work Group meetings.
- 2.5. Exchange of Officials Program.
- 2.6. Publications.
- 2.7. Essay Contest.
- 2.8. Research Projects.
- 2.9. Dissemination of information to member countries.
- 2.10. International Meetings

2.1 Annual Assemblies

Nine annual Assemblies have uninterruptedly taken place between 1967 and 1975, inclusive (the dates, sites and topics of these Assemblies appear under Annex 2).

In total, 1,011 officials and experts from member countries, non-member countries, and international and regional agencies specializing in the tax field (United Nations, International Monetary Fund, Inter-American Development Bank, Organization of American States, LAFTA) have participated in the same.

Of the nine previous Assemblies in only one of them attendance by member countries was below 80%. In three cases attendance ranged between 80% and 90% and at the remaining five attendance ranged between 90% and 100%. Non-member countries include nations in Europe, Asia, Africa, America and Oceania.

At these Assemblies the host country defrays the local organization costs while member countries totally defray transportation and subsistence allowance of their delegates.

The Tenth Assembly will take place in El Salvador in May 1976. The Eleventh and Twelfth Assembly will be held in Caracas and Port-of-Spain in 1977 and 1978, respectively.

2.2 Technical Conferences

Up to May 1976, 16 technical conferences have been held, at an average of two per year. In total, 1,015 officials have participated in these conferences as well as experts from member countries, non-member countries and specialized international agencies (the dates, sites and topics of these conferences appear under Annex 3). It is to be highlighted that three of these conferences were jointly sponsored with the Government of the Federal Republic of Germany through the auspices of the German Foundation for International Development, one with the joint sponsorship of the Spanish Government through its Ministry of Finance, and one with the joint sponsorship of the United Nations.

As is the case with the Assemblies, the host countries of the technical conferences defray local costs as well as administrative support for these meetings. Upon the request of member countries and under certain conditions, CIAT provides a per diem to one participant from each country.

2.3 Symposia in Tax Administration

This type of meeting has been set up for the study of problems of interest for specific tax administrations. Thus, in October 1974, upon the request, and with the sponsorship of the General Directorate of Taxes of Argentina the "First Symposium in Tax Administration, on Value Added Tax" was held in Buenos Aires, with the aim of studying the problems that it was believed would be found with the implementation of VAT in the same country as of January 1, 1975. Representatives from 11 member countries, two non-member countries, and four international and regional agencies participated in this meeting. Among the representatives of member countries were some from those having already applied more or less global structures of this tax (such as Brazil, Bolivia and Uruguay), as well as from countries also in the process of implementing it (such as Chile, having applied it in March 1975). Special emphasis is to be given to the fact that the meeting was based on the presentations

made by an exceptional group of guest speakers, mostly from European countries having ample experience in VAT implementation.

2.4. Work Group Meetings

In the course of these years several work groups were set up, at the invitation of the Executive Secretariat, to discuss different aspects

These groups were the following

- a. The Work Group convened in August 1968 to draft the agenda for the First ADP Technical Conference. The Work Group was formed by delegates from Canada, Colombia, the United States and Mexico, and met in Washington, D.C.
- b. According to a Resolution passed by the ADP Technical Conference held in Lima in 1971, a Work Group met at CIAT headquarters in Panama in June of that year, formed by delegates from Bolivia, Colombia and Panama to prepare a document on standards for users in regard to the contracts made with ADP equipment manufacturers. This document was presented as technical paper to the ADP Technical Conference held in Buenos Aires in February 1972.
- c. Work Group on "Administration of Tax Incentives" having met in Panama in October 1971 with the participation of delegates from Brazil, the United States, Jamaica, Panama and the OAS Tax Program. The Group drafted a report that was distributed to all member countries and published as Volume No. 8 of the CIAT Studies in Tax Administration Series.
- d. As a consequence of the ADP Technical Conference held in the Federal Republic of Germany in 1973, a Work Group met in Lima in December of the same year in order to draft a training and technical assistance program on ADP applications to tax administration. The Group was formed by delegates from Argentina, Bolivia, Peru and the Dominican Republic, having prepared an action plan for consideration by CIAT members at the Assembly held in Jamaica in 1974.
- e. Work Group set up in 1975 to analyze the feasibility of the creation within the CIAT framework of an Automated Data Processing Center, with personnel training, research and advisory functions for member countries. The Group convened by the Executive Secretariat as a result of the Resolution passed by the Ninth Canada Assembly was formed by delegates from Brazil, Canada, Mexico and the United States, and held its meetings in Rio de Janeiro and Panama. The final report was presented to the Executive Council at the San Salvador meeting in February 1976 and will be submitted for decision by the Tenth Assembly.
- f. Also as a consequence of a Resolution passed by the Ninth Canada Assembly a Work Group met in Washington, D.C. in March 1976, to study the tax implications of the activities of multinational companies. The Group was formed by delegates from Brazil, Canada, the United States, Mexico and Venezuela, and will submit its Recommendations to the Tenth El Salvador Assembly.

CIAT Executive Secretariat members have permanently participated in the meetings of the abovementioned Work Groups

2.5. Exchange of Officials Program

This Program sponsored by CIAT is part of the regular Center activities as of 1971. Through it, and upon the request made by a member country, another member country sends for a given lapse of time (generally of no more than one month) a specialized official to provide advisory services, conduct studies or offer courses on a specific aspect of tax administration. Transportation, travel and subsistence allowance of the official are paid by CIAT and the country offering the assistance maintains the official's regular salary in the course of the mission. In certain cases the program has consisted of visits made by officials from one member country to another member country in order to become duly acquainted with a specific aspect of tax administration. Twenty programs have been carried out, while a pending program exists to the date of this report. (The officials and topics of the programs having been carried out appear under Annex 4).

Eighteen of the 26 member countries have participated in technical assistance missions conducted to date, having involved a total of 25 officials from tax administration in such countries.

2.6. Publications

This is one of the permanent activities of the Executive Secretariat. There are three types of regular publications: Newsletter, Studies in Tax Administration Series, and Books of Conferences and Assemblies.

2.6.1. Newsletter

It has been uninterruptedly published on a monthly basis and in the Spanish and English languages as of September 1968, at present being at the close of its eighth year of publication. The Newsletter is formed by four parts: CIAT Activities, Comparative Legislation, Bibliography and General Information.

Distribution of the Newsletter is basically made on a free basis to tax administration officials in member countries and under an exchange basis with publications of different countries. A small part of its edition is distributed under a subscription system for private businesses and individuals.

At present, an approximate total of 1,200 issues in Spanish and 500 issues in English are sent to countries in the five Continents.

The Newsletter is the only type of publication currently existing in American countries that provides monthly information on news and aspects concerning tax legislation and tax administration in countries in the Americas and other parts of the world. The information supplied is obtained through the Bibliographical sources existing at the CIAT Library as well as from the information supplied by the CIAT Correspondents appointed in each country. Its publication has received praise both on the part of tax administration officials and professors and experts in the tax field, as may be observed in letters sent to the Executive Secretariat.

2.6.2. Studies in Tax Administration Series

Through this Series CIAT offers its members and experts in general studies and articles -mostly prepared specially for the Center- on tax administration issues of interest for tax administration officials. On the other hand, it represents the publication of research and documentation that due to their size and scope cannot be included in the material published monthly in the Newsletter.

Eighteen volumes have been published to date, according to the detail that may be found under Annex 5.

These volumes are distributed to tax administration officials on a free basis and through an exchange system with publications specializing in the tax field.

2.6.3. Books of Technical Conferences and Assemblies

Details concerning books published on technical conferences and Assemblies to date in the Spanish and English languages, appear under Annex 6. It may be observed that 18 books have been published in Spanish and nine in English with an approximate total of 8,100 pages. A total of three books in the Spanish language and six in the English language is in the process of publication with an estimated total of 5,400 pages.

These books are distributed to CIAT members as well as to libraries and units pertaining to tax administrations in member countries on a free basis, and are also exchanged under a system of exchange with other specialized publications in the tax field. A small portion is sold to those interested in purchasing them basically private businesses and individuals (particularly university professionals)

It should be highlighted that both the Newsletter and the Studies in Tax Administration Series are totally published by means of the printing facilities of the Executive Secretariat in Panama. Of the 27 books published, 11 have also been published by CIAT and of the remainder 8 counted with the invaluable cooperation of the German Foundation for International Development, the Internal Revenue Service (IRS) of the United States and the Inter-American Development Bank

2.7. Essay Contest

In the course of the Seventh Assembly held in Guatemala in 1973 an Essay Contest on tax administration topics was approved, for officials in tax administration in CIAT member countries. The Regulations to this effect prepared by the Executive Secretariat were approved by the Executive Council in September 1973 and amended in 1975 on the basis of changes approved by the Canada Assembly.

The First Contest was based on the topic of "Professionalism in Tax Administration". At the close of the same on December 31, 1974, 21 papers had been presented by ten member countries. The Rating Panel appointed by the Executive Council and formed by Messrs. Oliver Oldman, Roberto Hoyo and Nicolas Ardito Barietta awarded the three first prizes to the papers presented by Daisy Ampudia, Saul Doublier and Hugo Guajardo of the Panama, Argentina and Chile tax administrations, respectively. Honorable mentions were awarded to papers presented by tax officials of Brazil, Colombia, Guatemala, Mexico, the United States, Uruguay and El Salvador.

The Second Contest closes June 30, 1976. The topic for the same is that

of "The Tax System as an Instrument for Development" and it is open to active and retired officials of tax administration. The Rating Panel is formed by Messrs John Due, Osvaldo Rebouças and Alvaro Magaña and their decision will be given before the holding of the forthcoming Cañacas Assembly to be held in 1977.

2.8. Research Projects

Under Annex 7 may be found some of the titles of the research papers prepared by the CIAT Executive Secretariat with specific mention of the place in which they have been published.

In the preparation of these papers the existence of the selected bibliography of the Center Library has been basic, and it has also been used for consultation and advisory services by Universities students, principally in Panama for the preparation of research and graduation thesis concerning tax administration and tax policy topics.

Furthermore, the graduation papers prepared by the consulting Universities students are periodically disseminated and, on several occasions, copies of such documents have been sent to all members.

As regards the above, in November 1969 and November 1971 research seminars were conducted at Center headquarters with students from the two Universities in Panama and two documents were prepared as conclusions of the same with the titles of "Sales Tax Project for Panama" and "Administration of Tax Incentives", respectively, which appear under Annex 7 and were distributed to all member countries.

2.9. Dissemination of Information to Member Countries

The basic information of a general nature is contained in the Newsletter, Studies in Tax Administration Series and Books of Assemblies and Technical Conferences that are sent to all members and tax administration officials. However, there is a continuous flow of information on the basis of written and even oral or telephone consultations made by tax administration officials (CIAT members, participants in Assemblies and Technical Conferences, Ministerial Advisors and other Government Advisors) and in certain cases by University students and professors.

The information requests are of many different types and, as a rule, concern concrete aspects of tax legislation (internal taxes imposed on alcoholic beverages, sanctions for delinquency, tax reform in certain countries, etc.) as well as specific aspects of tax administration (training courses, audit manuals, collection methods, etc.) and articles or books mentioned under the bibliographical portion of the Newsletter.

The specialized Library of the Executive Secretariat, that fundamentally provides for replies to these requests, at present is formed by three parts. There is in the first place a book file formed to March 31, 1976 by a total of 867 titles and 2,101 volumes; in the second place by a file on periodicals and magazines formed by 226 titles originating in 42 countries; of this total 33 periodicals are received on a subscription basis; 118 on an exchange basis, and 74 on a grant basis.

Finally, there is a file on comparative legislation, classified by countries and within each country according to an index including the different taxes

statistical figures on revenues and public expenditure, specific legislation on tax administration and economic and financial legislation of general interest.

2.10. International Meetings

CIAT receives many invitations for participation in meetings in the tax field organized by governments and public and private international agencies. Among them, emphasis is to be assigned to the invitations extended by the Federal Republic of Germany, the Republic of China and the Republic of Lebanon for participation in conferences held in these countries in November 1971, May 1972 and November 1972, respectively, and by the United Nations to participate in a Conference on "Tax Reform Planning" held in New York in November 1970. These meetings have allowed for an expansion of the contacts and exchange of experiences framework concerning basic problems of tax administration as regards officials and experts in other areas facing similar problems. It has led to the strengthening of relations with officials, experts and agencies in countries in Europe, the Far East and Africa, and it has specially permitted the dissemination of the basic aspects concerning the organization and tasks of CIAT.

3. CLASSIFICATION OF ACTIVITIES CARRIED OUT TO DATE (1967/1976)

In its nine effective years of uninterrupted activity CIAT has undertaken the analysis of the problematics involved in the most important areas of tax administration, offering an opportunity for tax administration officials in all member countries to exchange knowledge and experiences in each field. For their better understanding these activities may be grouped as follows:

- 3.1. CIAT and the Organization.
- 3.2. CIAT and ADP.
- 3.3. CIAT and Audit.
- 3.4. CIAT and Collections.
- 3.5. CIAT and Training.
- 3.6. CIAT and Taxpayer Education and Information.
- 3.7. CIAT and the different types of taxes:
 - 3.7.1. Income Tax.
 - 3.7.2. Sales Tax.
 - 3.7.3. Property Tax
- 3.8. CIAT and Tax Treaties.
- 3.9. CIAT and Multinationals.
- 3.10. CIAT and Tax Policy.

3.1. CIAT and the Organization

In general terms, it may be said that CIAT activities have directly or indirectly been oriented towards a general or specific review of problems concerning the organization of tax administration. The issues concerning planning, in other words, the best possible use of available human and material resources, were specifically discussed in the course of the Panama Assembly (1967), Buenos Aires Assembly (1968), Mexico Assembly (1969), Asunción Assembly (1972) and Guatemala Assembly (1973). The basic issues as well as the advantages and disadvantages involved in an organization by type of tax as compared to a functional organization were discussed in the course of the Panama Assembly (1967) while the

substantial aspects concerning centralization and decentralization in decision making were concretely discussed in the course of the Guatemala Assembly (1973). The structure of an information system of use for decision making at the different hierarchical levels of tax administration was the object of special attention at the Jamaica Assembly (1974) and central topic of the Technical Conference held in Trinidad & Tobago (1975). The best organization of ADP Departments, Collections, Audit and Legal Counsel Departments, and their functions within tax administration, were extensively discussed in the course of the Technical Conferences held in Argentina (1972), Panama (1972), Ecuador (1974) and Spain (1974). The Studies in Tax Administration Series Nos. 9, 15 and 16 also referred to problems concerning the organization of tax administration, while it should be highlighted that No. 15 offers an updated review of the structure of these organizations in all CIAT member countries.

The Newsletter has assigned particular emphasis to the organic reorganization of tax administration in countries such as Mexico, Venezuela and Uruguay (August 1971, January and May 1974 and April 1976 issues).

3.2. CIAT and ADP

Undoubtedly, one of the specific aspects of tax administration having deserved preferential attention on the part of CIAT has been that of Automated Data Processing (ADP). The growing complexity and expansion of tax administration operations require the establishment of procedures aimed at insuring precision and timeliness in the processing of data received by it as well as in their rational management towards an adequate and timely utilization. ADP was discussed at the Panama Assembly (1967), Argentina Assembly (1968), Guatemala Assembly (1973) and Canada Assembly (1975). The matter has furthermore been discussed at six Technical Conferences. At the first two technical conferences on the subject, Bogota (1970), and Lima (1971), special emphasis was assigned to the review of the technical problems concerning the matter (fundamentally at the level of equipment, programming and analysis), while the Buenos Aires (1972) and Federal Republic of Germany (1973) Conferences analyzed the concrete applications of ADP in tax administration. Finally, the Chile (1975) and Bogotá (1976) meetings reviewed the current problems found both in the area of equipment and programs and in the area of applications themselves. Of all of the material reunited in the course of these meetings some important conclusions may be derived, such as that of the fact that ADP is only part of tax administration and that it represents an instrument or means for the obtaining of greater efficiency, as well as of the fact that as such its management must be established and controlled by the higher levels within the Ministry of Finance. Furthermore, the need has been found for the existence of a global rational policy on use of computers in each country aimed at insuring their efficiency and controlling their costs. It has also been clearly established that ADP technology cannot operate in a vacuum, and that it must be related with the governmental goals at the global level after it having been equally demonstrated that it is not advisable to implement computerization of any manual system without a previous complete systems analysis. Finally, it has been demonstrated that any ADP system to be successfully applied to tax administration requires the existence of an identification member for each taxpayer that should be unique, valid and permanent.

Apart from the comments appearing in the Newsletter and in particular of the bibliographical references continuously published in the same we may specifically

mention Volumes 4, 5, 12 and 17 of the Studies in Tax Administration Series and the establishment of several Work Groups, particularly that of the last one set up upon the request of the Ottawa Assembly for the study of the possibility of the establishment of an ADP Center within the CIAT framework, including the preparation of an extensive report to be discussed on occasion of the Tenth Assembly in El Salvador.

3.3. CIAT and Audit

This fundamental aspect of tax administration has been another of the topics to which CIAT has continuously assigned attention. Important portions of the following Assemblies have been assigned to it: the Mexico Assembly (1969), Uruguay (1970), Brazil (1971), Jamaica (1974) and Canada (1975); it was also the only topic for four Technical Conferences held in Costa Rica (1969), Panama (1970), Ecuador (1974) and Haiti (1976). In view of the nature of the problem itself, it has been indirectly discussed at other Assemblies and Technical Conferences (for example, at the meeting having been focused on specific aspects of the structure and administration of income and sales tax, Paraguay Assembly of 1972). The Studies in Tax Administration Series, Volumes 2 and 7, were also focused on this matter. The approach to audit problems has been centered on the planning aspects, particularly in view of the practical impossibility of auditing all taxpayers. In this respect criteria for selection of cases for audit have been reviewed, whereby it has been possible to observe the procedures existing in the different countries and which range from manual formulas to sophisticated computer oriented systems as applied, for example in Mexico and the United States (discriminant function). Special attention has also been assigned to the objectives and scope of the audit function, with emphasis on the aims of field and office audit. The importance of supervision and control of audit tasks has also been highlighted. At the Ecuador and Haiti Conferences the problems respectively originating in the auditing of taxpayers keeping computer supported accounting records and the aspects concerning audit of multinational corporations were studied and were the subject of specific conclusions derived from both meetings.

3.4. CIAT and Collection

The procedures for tax collection, the methods to prevent or penalize tax delinquency, the effects of pardons and the role of taxpayer education and taxpayer information as a tool to improve the compliance level have been some of the items discussed at the Panama (1967), Uruguay (1970) and Paraguay (1972) Assemblies as well as of the two Technical Conferences held on the topic (Panama in 1972 and Federal Republic of Germany in 1975). On occasion of the Conference in Germany it was also possible to become acquainted with the collections procedures and systems used in this country. Among the conclusions derived from all of these meetings, the following are worthy of highlighting: the importance for the organization of having a good system for friendly collection as indispensable initial step for the establishment of improved relations with taxpayers; the possibility of increasing the use of the banking network to facilitate payment of taxes; the advantages and disadvantages offered by compulsive collection systems through administrative and judicial means; the need to constantly update the system of penalties, particularly as concerns surcharges and interest, as a means to promote compliance with tax obligations; the extension of the use of withholding systems and of advanced payments and pre-payments as a manner to promote timely payment of tax liabilities.

3.5. CIAT and Training

The issues involved in the training of tax administration officials have in particular been discussed at the Assembly level in the course of the Panama (1967), Paraguay (1972) and Guatemala (1973) Assemblies and was also central topic for the Technical Conference held in Honduras (1973). Volume No. 11 of the Studies in Tax Administration Series offers comprehensive information on the training system used in Brazil. Moreover, through the Newsletter systematic dissemination is given to information concerning the courses offered in this field by both public and private specialized agencies. In the course of CIAT meetings the importance of assigning to training the character of a permanent and basic function of tax administration has been stressed, in order to ensure among other things that the best officials enter the administration and remain in it duly trained to accomplish their tasks at the different levels. The importance of the best possible use of technical assistance in this area was also recognized with the further addition of the fact that there is no substitute to be found for the countries' own efforts in this field. It was also agreed that there is a need and a use for the cooperation of local agencies in each country and in particular of the Universities as a means to benefit from the experience and abilities existing in the same. Finally, the risks involved in not including training within an overall plan aimed at retaining officials within the administration was highlighted, as well as the fact that each country is to find the formulas to insure that the costs involved in, and results derived from, training are not lost.

3.6. CIAT and Taxpayer Education and Information

This topic was specifically discussed at the Panama (1967), Uruguay (1970) and Guatemala (1973) Assemblies and was comprehensively studied in Volume No. 10 of the Studies in Tax Administration Series. In general the importance of institutionalizing these efforts of tax administration has been recognized as an effective means to promote voluntary compliance, thus seeking their more detailed and extensive knowledge of their obligations on trying to improve the image that they have of the Government in general and of tax administration in particular. The meetings focused on this topic provided in-depth knowledge on the major efforts that practically all countries are developing in this field. On the other hand, the Newsletter continuously includes comments on the programs undertaken in this field in countries such as Brazil, Canada, Colombia, El Salvador, Mexico, Panama, Peru, the United States and Venezuela.

3.7. CIAT and the Different Types of Taxes

Apart from concrete aspects discussed at different technical conferences or included in Center publications, the administration of income tax and sales tax has been the object of special concern on the part of its members.

3.7.1. Income Tax Administration

Problems concerning the administration of this tax were specifically discussed in the course of the Brazil Assembly in 1971 (particularly as concerns the administration of tax incentives), at the Uruguay Assembly in 1970 (administration of large and small taxpayers), at the Paraguay Assembly in 1972 and the Jamaica 1974 Assembly. Significant opinions in this respect have been published in different Newsletter issues (as an example we can mention the February, March and August 1972 issues, January and March 1974 issues, November 1975 and January

1976 issues). It is also to be remembered that as a consequence of the 1971 Brazil Assembly a Work Group on tax incentive administration was set up and that the report produced by this Group was distributed to all members and used as a basis for the publication of Volume No. 8 of the Studies in Tax Administration Series.

3.7.2. Sales Tax Administration

Structural aspects, and in particular tax administration aspects of this levy, were the object of study at the Panama (1967), Uruguay (1970), Paraguay (1972) and Canada (1975) Assemblies. In the course of the "First Symposium in Tax Administration on VAT" held in Buenos Aires in 1974, there was the opportunity of discussing a complete economic-administrative outlook of VAT operation in countries of the European Economic Community as well as in several countries in the Americas having implemented a tax of this type. Volume No. 14 of the Tax Administration Series also concerns VAT and the Newsletter has uninterruptedly included comments on the introduction and operational mechanics of this tax in European countries (particularly in Italy and in the United Kingdom) and in countries in the Americas (basically Argentina, Bolivia, Brazil, Colombia, Costa Rica, Chile, Ecuador, Paraguay, Peru, Nicaragua and Uruguay).

3.7.3. Property Tax

The economic and -primarily- the administrative issues involved in the structure and enforcement of property tax in any of its manifestations was extensively debated on occasion of the Conference held in Panama in 1971 with the joint sponsorship of the United Nations. This Conference also offered the opportunity for an open discussion of the draft manual for property tax administration prepared by this international organization. Special emphasis is to be given among the conclusions approved at the time to those concerning the manner in which to set up and maintain a tax cadaster as well as to the basic aspects concerning the assessment of the taxable value. It is also to be remembered that as a consequence of a Recommendation passed by participants in this meeting, the Inter-American Development Bank prepared model legislation on the betterment levy that has been distributed to all countries in the Americas and is at present being reviewed by the same.

3.8. CIAT and Tax Treaties

The increase in extraterritorial commercial activities, the complexity of tax legislation, the different principles applied by countries for purposes of tax enforcement and the different interpretation criteria applicable to these same principles under specific circumstances are some of the major causes underlying the existence of problems of international multiple taxation. Apart from the unilateral measures adopted by countries to mitigate or avoid double taxation, the entering of treaties is one of the more advisable routes to solve the problem. On the other hand, the existence of different, and some times conflicting, national interests at the time such treaties are made, as well as the many administrative problems involved in such agreements, have begun to be known and discussed at the highest level of CIAT meetings, since tax administration officials are directly or indirectly involved in this area in all member countries. The topic was discussed at the Uruguay (1970) and Guatemala (1973) Assemblies and will again be the object of special discussion at the 1976 El Salvador Assembly. In the February 1970 Newsletter issue a complete comment was made on the matter,

including bibliographical material, and the Executive Secretariat also prepared a background paper for discussion of the topic at the Guatemala Assembly appearing in the book with the papers and conclusions of this Assembly

3.9. CIAT and Multinational Companies

The increased development of international trade through the activities of multinational or transnational companies has originated tax problems concerning the very structure and enforcement of taxes as well as administration of the same. This is in particular due to the fact that these companies, acting through affiliates or subsidiaries in different countries, are in a position to maneuver with the aim of avoiding and evading taxes in some or all of the tax jurisdictions involved in their activities. This topic of pungent actuality has led to the creation of an authentic challenge to tax administrations in countries in the Americas and CIAT in its character of instrument at their service has not remained unconcerned with their efforts, for which reason it assigned a large part of its Canada (1975) Assembly as well as of its Haiti 1976 Technical Conference to discussion of this matter. As a consequence of the Canada Assembly a Work Group was convened to meet in Washington, D.C. in March 1976, which prepared a report on this matter for discussion in the course of the Tenth Assembly to be held in El Salvador in May 1976. One of the most important problems in this field is the issue of exchange of information among tax administrations. It has in general been recognized that tax treaties represent the only means to find solutions to the tax problems derived from the activities of multinationals and, within these treaties, the exchange of information is the basic element. However, it has also been recognized that legal and administrative structures vary from country to country as well as the reasons for which each country enters these treaties and in particular, this type of exchange of information.

3.10. CIAT and Tax Policy

According to the provisions of its Statutes, there has been a natural trend for the systematic analysis of tax policy in the course of Center Assemblies, either at a general level or with reference to specific aspects but always directly referring to the implications that this field offers tax administration. In some countries the tax administrator participates in the formulation and enforcement of tax policy although such a participation is legally established and sometimes occurs due to custom. In other countries, to the contrary, the role of the tax administrator is limited to its natural function of promoting the timely and adequate collection of taxes and of ensuring the most efficient voluntary compliance with tax obligations. However, it has in any event been stated that since tax administration is a key aspect of tax policy, it is absolutely necessary for the opinion of the tax administrator to be heard and taken into account at the time that tax policy is formulated and put into operation and, in particular, on occasion of the formulation of more or less ambitious tax reform projects. Under these circumstances it seems useful to recall that concrete aspects concerning tax policy were discussed at the 1967 Panama Assembly (its relations with tax administration and problems involved in sales tax organization), of the 1969 Mexico Assembly (gaps between planning of tax policy and planning of tax administration), of the 1971 Brazil Assembly (development, tax incentives and tax evasion in taxation) and at the 1974 Jamaica Assembly (the tax system and inflation). This last topic is to be again discussed at the 1976 El Salvador Assembly. Finally, it is to be remembered that this matter was the subject of a paper prepared by the Executive Secretariat and presented to the

Conference on Tax Reform Planning held in New York in 1970 with the sponsorship of the United Nations, and having been published as Volume No. 1 of the CIAT Studies in Tax Administration Series.

4. CIAT RELATIONS WITH TAX ADMINISTRATIONS NOT WITHIN THE AMERICAS AND WITH INTERNATIONAL AGENCIES AND PUBLIC AND PRIVATE DOMESTIC AGENCIES, SPECIALIZING IN THE TAX FIELD

As of its creation and in compliance with the provisions of its Statutes, CIAT has maintained permanent contacts with different administrations outside the Americas, as well as with domestic and international public and private agencies specializing in the tax field. It is obvious that this type of contact generates mutual benefits, similar to those obtained within the CIAT framework and which are ultimately translated into an increase in the exchange of knowledge and experiences with the purpose of maximizing the efficiency of tax administration in member countries.

In the first place, the contacts established with tax administrations outside the Americas allow for acquaintance with common problems at the same or at different levels. For example, the relations maintained with European tax administrations imply on the average a higher level of evolution from that of the majority of countries in the Americas, but which perhaps has not reached the level of perfection that may be found in the United States. Instead, the contacts made with tax administrations in Asian and African countries for example, imply acquaintance with similar problems substantially felt at the same level as in member countries.

The connections maintained with international and domestic public agencies allow us to benefit from the ample capacities and resources of these agencies with the aim of benefiting from the research, analyses and publications made by such agencies.

Finally, as concerns private agencies, it is important to not lose touch with the private sector -and ultimately with the taxpayer- in order to find the measure of its concerns and the scope of its problems while at the same time transmitting the accomplishments, trends and objectives of taxation in general and of the tax administration.

As concerns the contacts made with tax administrations outside the Americas, special mention is to be made of those with the Spanish tax administration, having led to the holding of the Eleventh Technical Conference in Madrid 1974, with the sponsorship of the Ministry of Finance of Spain. Furthermore, delegates from tax administrations in European countries (e.g. Spain, France, Italy, the United Kingdom, Sweden and Portugal), in African countries (e.g. Nigeria, Tanzania, Tunisia); in Asian countries (Korea, Japan, the Philippines, China, Thailand, for example) and countries in Oceania (New Zealand and Australia) have regularly participated in CIAT meetings as observers and, on occasion, as guest speakers. CIAT has also participated in meetings with tax administrations of African countries (Berlin 1971), of Asian countries (Taipei 1972) and countries in the Near East (Beyrouth 1974).

In this respect, mention is also to be made of the cooperation received from the United Nations with which agency the V Technical Conference was jointly

sponsored in Panama, from the Public Finance Program of the OAS and the International Monetary Fund, delegates from which agencies have on different occasions participated as guest speakers in Center meetings. Furthermore, the Inter-American Development Bank apart from participating in Center activities through the presence of its delegates as observers and guest speakers in several meetings, provided financial cooperation at a first stage of the CIAT publications program. With reference to regional economic integration organizations, close contacts have been maintained with the authorities of LAFTA, the Cartagena Agreement, SIECA, COTA and the European Economic Community.

As concerns government agencies, very close contacts have been maintained with the German Foundation for International Development, a government agency of the Federal Republic of Germany, through the cooperation of which it has been possible to hold three Technical Conferences, of which two took place in the Federal Republic of Germany (IX and XIV) and one in Bogota (XVI).

Mention is also to be made of the contacts maintained with the Institute of Fiscal Studies of the Ministry of Finance of Spain, the abundant bibliographical production of which is regularly received by CIAT.

In the field of international private agencies, permanent contacts have been maintained with the International Fiscal Association (IFA), the International Public Finance Institute (IIFP), with the Latin American Institute of Tax Law and the Inter-American Accountants' Conference. In this field mention is also to be made of the relations maintained with the International Fiscal Documentation Office in Amsterdam and the Fiscal Law Editorial of Madrid.

A special chapter is to be referred to the close contacts that the Executive Secretariat has maintained with public and private universities in the entire world. In particular, mention may be made of those maintained with Harvard and the Los Angeles Southern California Universities of the United States, with Panama, Zulia, Cuyo and Mendoza (Argentine Republic) and the Central University of Ecuador in Latin America. In the specific case of Panama, the fact that this country hosts the Executive Secretariat has accounted for the fact that numerous University students permanently consult the CIAT Library and receive counsel for the preparation of their final graduation thesis. To March 31, 1976, 18 graduation theses on fiscal aspects have been prepared on the basis of the facilities offered by the Center.

5. EVALUATION OF CIAT ACTIVITIES AND OF THEIR IMPACT ON MEMBER COUNTRIES.

It is obviously difficult to make a quantitative and qualitative measurement of the productivity and results of CIAT activities. The difficulty is basically found in the informal characteristics of the Institution and in the fact that its recommendations are not of compulsory application for member countries. However, it also seems clear that the very existence of CIAT represents the basic foundation of its validity. Its continuous and growing activities are proof of the fact that its members--its successive members--in their positions as officials at the highest level of tax administration, have felt the need for it to continue as well as the benefits of its activities.

It also seems pertinent to highlight the fact that the usefulness of CIAT -in the final instance- is basically dependent on facts such as the following;

- a. The need that the successes as well as the difficulties experienced by each tax administration be discussed at CIAT meetings with total sincerity. Together with the above, we should stress the importance of the fact that officials at the adequate levels as concerns the topic discussed participate in such meetings, as well as of the fact that they discuss the topics from the position of those able to directly implement the ideas and suggestions derived from these meetings.
- b. There is to be a real and effective spirit of cooperation among tax administrations in member countries in order to ensure the effectiveness of Center activities.
- c. The knowledge and experiences derived from the meetings and from CIAT research and publications are not to be limited to the specific sphere of the official or officials directly participating in these activities, but are to be given extensive dissemination within tax administration in each country so that the results of these activities are transmitted, inasmuch as possible, to all other officials.

It is also valid to state that the effectiveness of CIAT is to be equally measured by all those improvements or reforms formulated or introduced to tax administration in each country on the basis of total or partial recommendations, teachings or experiences derived from the meetings, research and information obtained and disseminated through CIAT. This is very difficult to determine since in general there is no written or documented statement to this effect that should allow us to evaluate it with precision. However, there are few doubts as to the fact that the events and documents originating in CIAT have been of use for the formulation of standards and procedures of direct application to tax administration. As an example we can mention the Technical Conference on "Computer Applications in the Ministry of Finance", held in Bogota in 1976. After having participated in this Conference Mr. Rafael A. Rojas, a Representative of the Republic of Costa Rica, on occasion of the discussion of a tax reform project at the House of Representatives of this country stated the following:

"..... at this seminar in Colombia at which I represented the Legislative Assembly, I was able to appreciate how tax administration in that country has unified the taxpayer number and this has represented a big step forward. They have already computerized the system. Thus, whenever an individual requests a certificate to the effect that he is up to date in payment of taxes, they simply key in the taxpayer number on a teleprocessing screen and a few seconds later what this individual has paid for tax purposes in the past four years as well as his total tax liability appear on the screen. Furthermore, whenever the tax administration wishes to control a given individual all it has to do is key in the taxpayer number on teleprocessing and immediately, on the screen, it has information on the taxpayer's action as concerns all the different taxes for the past four years. At present, an auditor or any other control official has to start a taxpayer review by examining his income tax return, by going to the cards and the entire manual system in existence to find out how much he has paid. To the contrary, with the system indicated, the existence of the taxpayer number immediately permits the obtaining of a detailed breakdown on the taxes he has paid in the past four years as well as on all areas where he must pay taxes.

For this reason I am of the opinion that within the existing possibilities for improvement of the tax collection system, the most efficient route requiring lesser costs for the improvement of tax administration - which in our country can be increased in considerable percentages - while at the same time ascertaining that all those who must pay taxes do so, is this unified system. Even in the United States where these tasks are based on the Social Security Number which is the number used for all types of activities and for all of the information stored in the computer, the information is kept on these tapes. To me, this represents the easiest means to increase yields, perhaps without need for the formulation of new laws, and at a low cost. Now, the idea is to set aside a year's term to this effect since all of the above requires programming efforts and several other things, as well as the establishment of the obligation of State agencies to lend their cooperation. The Taxation Department is already doing something to this effect but, for example, it would require the files kept by the Supreme Court for Elections, which in a couple of days could be stored on the computer for tax administration purposes. I would say that in the course of one month all of the information available at public agencies could be stored in the computer since we have the advantage that most of it is already stored in electronic computer memories and it would only require hours to store these files in the computer and after that it would be possible to set up cross checks with the unified taxpayer number and this could considerably increase revenue and would avoid the need for enactment of new tax legislation when what we actually need is just that people pay what they must".

Another aspect complicating CIAT activities is the instability of the higher officials within tax administration in their positions in each country. In fact, it has been found that the changes in tax administration at the higher level are quite frequent in most member countries. As an example, in the three years going from 1973 to 1975, the 26 member countries have had a total of 51 officials in charge of the respective tax administration, at an average of two per country, or in other words, at an average of an official holding this position for one year and a half, which implies difficulties in their full participation in Center activities as well as in the best possible application of its recommendations.

Notwithstanding the above, relations with tax administrations in all member countries without exception have always been of the closest type since there has been the manifest good will of all CIAT members towards their Center, which is supplemented by the contacts made with the officials participating in meetings and with the correspondents, in other words, with the officials appointed by the members themselves to keep up this permanent connection with the Executive Secretariat to which effect regional meetings were held with these officials in 1973.

In order to have an idea of the impact that CIAT activities have been having in member countries and outside the area, it seems useful to refer to some opinions concerning CIAT as expressed by world-known personalities in the political administrative and technical spheres and which, in view of the standing of those having expressed them, cannot obviously be thought of as mere words of protocol or compromise. Thus, as an example, the following may be highlighted:

President Jose J. Trejos of Costa Rica on October 14, 1968 stated.

"...CIAT undoubtedly represents an effort for the increased and improved motivation of our administrators in its action to improve the procedures and techniques of our taxation offices".

President Marcos Robles of Panama on September 18, 1968 said:

"...CIAT, in its concern to improve the machinery for capture of resources on the part of the public sector is called to play an important role in the efforts made by governments in the Americas within the spirit of the Alliance for Progress"

Eric William, Prime Minister of Trinidad & Tobago on May 21, 1969 said:

"I take note, with interest, of the work program CIAT has formulated for itself for the next year and wish it all success".

Lyndon B. Johnson, President of the United States on May 1, 1967 stated

"The meeting of tax administrators of the Western Hemisphere that is inaugurated today in the city of Panama is of great importance for the Alliance for Progress. The mere fact of the holding of this meeting highlights one of the basic elements of the Alliance; in other words, the principle of self-made efforts without which the objectives of the Alliance cannot be achieved".

and President Juan C. Onganía of Argentina in May 1968 said:

"...tax administration is one of the fields requiring the use of modern and flexible systems for the attainment of a fairer and more balanced taxation in agreement with the purpose of defraying expenditures with genuine resources. For this reason, as of its inception, Argentina has enthusiastically supported CIAT".

Message by the President of the Republic of Haiti, Mr. Jean Claude Duvalier, to participants to the XV Technical Conference, in January 1976:

"... within CIAT, where different systems of value and references are confronted, the Republic of Haiti is proud of being a member of this organization and of benefiting from experiences with the well-known fruits that they render, in order to harmonize them with the national development programs".

In a note sent to his Panamanian colleague in 1971, the Minister of Finance of Brazil, Dr. Antonio Delfim Netto, stated:

"...the activities promoted by the Inter-American Center of Tax Administrators, the dynamic and objective action of which has derived in considerable benefits for all its member countries".

On occasion of the inaugural session of the Congress of the International Fiscal Association (IFA) held in Washington, D.C. in October 1971, the Secretary for the Treasury Department of the United States, Mr. John B. Connally, among other things said:

"...We have derived great satisfaction from our participation in the work of the Inter-American Center of Tax Administrators (CIAT), as well as in the assistance we have been able to offer in the field of tax administration to many developing countries".

Message of the Minister of Finance and the Treasury of Panama, Dora Reluz, at the opening session of the VII Technical Conference on "Tax Collection" held in Panama in September 1972.

"...I would not be fair if I were not to mention the efforts made by CIAT for the holding of these meetings. We must express our deepest recognition and gratitude as well as stimulate them so that they may continue to promote the holding of such meetings with ever increasing interest"

Message of the Minister of Finance of Ecuador, Economist Enrique Salas Castillo, at the opening session of the X Technical Conference on "Tax Audit" held in Quito in February 1974:

"...it cannot be doubted that this type of meeting permits the exchange of knowledge and the learning of new procedures; we are convinced that the conclusions to be derived from your work will be fruitful and as well as in accordance with the measure of the efforts you make"

Message of the President of IDB, Antonio Ortiz Mena, to the participants of the XVI Assembly held in Asunción in May 1972:

"...As of its creation I have been acquainted with CIAT activities and have supported them in view of their value. What you have accomplished in establishing a dialogue and exchanging experiences represents more than a compensation of the effort involved in annually leaving your daily work for a few days...thus, you can be sure that both individually and as President of the IDB you have a friend in the financial agency for the region".

Message of Dr. Narciso Amoros Rica, well known Spanish Tax Expert and former Director of Taxes of Spain, on occasion of the XVI Assembly in Guatemala, in 1973:

"...As a student of tax law I have as of its inception, observed the forward trend followed by the Center of which I had notice in the Spring in 1967, since being at the time in Panama, due to professional reasons, I was informed of its creation and objectives. Although this occurred only through the news published in newspapers my interest was awoken and fully identified as I was able to find through the teachings and new standpoints that its greater achievements have manifested. This makes CIAT surveys, papers, resolutions and publications an indispensable source of consultation. There is one of them, the Newsletter,

to which I must make special reference because it has both reunited the agility of an informative news sheet with the rapidity and accuracy of the publication and contents of the same --I consider it a sample of the dynamic vitality of the Center"

6. CIAT AND ITS FUTURE PERSPECTIVE

At this time, it is worthwhile to stop along the road and verify whether CIAT objectives have been accomplished and what future trends will be. In this respect, to recall the wording of the Statutes, it may be said that those objectives manifest themselves as:

- mutual knowledge of the officials responsible for tax administration in countries in the Americas.
- the systematic exchange of experiences with reference to common problems.
- dissemination of technical information in the field.
- reciprocal cooperation.

We believe that CIAT activities -having up to now been characterized by their constant increase- have permitted the accomplishment of those objectives. From very modest beginning manifested in the publication of a Newsletter at the close of its first effective year of operation, it went on to the annual holding of an Assembly and of two Seminars or Technical Conferences. Then, it even was able to hold three Technical meetings in the course of some specific years. The level of publications was considerably increased with the publication of the books on the Assemblies and Conferences, as well as of the Series of Studies in Tax Administration. Research papers began to be conducted and disseminated on a regular basis and personal contacts were increased through the establishment of different Work Groups to deal with specific topics. The tasks concerning cooperation and assistance among members, materialized with the development of the exchange of officials program, and scientific research was promoted through the establishment of the Essay Contest.

In looking towards the future it seems necessary and useful to analyze three aspects that we believe essential for the definition of future Center objectives. We have called these aspects:

- 6.1. Definition of its scope and objectives.
- 6.2. Identification of key activity areas.
- 6.3. Methods to disseminate Center activities.

6.1. Definition of its Scope and Objectives

In the measure that time goes by and new activities are envisaged, it is necessary to as clearly as possible define the scope and objectives of the Center. In this respect the two following possibilities appear, in principle, to be clearly indicated:

- a. CIAT acting basically as a liaison, or catalyzer, as a forum for the presentation and discussion of problems and for the exchange of information; this has been the orientation given to it to date.
- b. Apart from continuing the above mentioned activities, CIAT can act as a body having its own action, principally in the field of technical assistance and direct advisory services to member countries. This second option would, of course, require renewed consideration of the structure and financing of the Center; and although such a requirement would not demand an integral administrative and budgetary reformulation in the short term, it would imply the need to, as of now, embark in studies concerning such an adaptation of the operational mechanisms of the Center in the medium and long term (from three to five years).

As regards any of the two previous alternatives, it is in turn necessary to define the following options:

- I. Must CIAT continue to offer a forum for discussion of all of the problems involved in tax administration without exception, limitation or specification, in such a way as not to promote a given specialization or orientation towards certain areas (e.g. ADP and Audit) to the detriment of others; or
- II. Must CIAT concentrate on, or emphasize, specific areas that experience and the interests expressed have shown are of greater benefit for its members (e.g., ADP and Audit).

6.2. Identification of key activity areas.

On the basis of the experiences accumulated as of 1967 and of the activities accomplished to date, we find that there are areas of major interest for tax administrations and their officials.

These areas are concretely the following:

- 6.2.1. ADP
- 6.2.2. Tax Audit
- 6.2.3. Multinational Companies
- 6.2.4. Tax Treaties

6.2.1. ADP

In the ADP field, a Work Group has presented a Report suggesting the creation of a Data Processing Center, to have training functions, as well as those of providing advice to tax administrations, of research, and in the medium and long term a program of direct technical assistance for member countries.

6.2.2. Tax Audit

In the field of Tax Audit, the last Conference held on this topic in Haiti in January 1976, specifically recommended "that CIAT authorities be urged to set up an Audit Center for the major purpose of the systematic study of

problems encountered in this field and for the dissemination of the solutions found to the same; for the establishment of minimum tax audit standards to facilitate their exchange among member countries; for the specialized training of officials from member countries working in this field; and for the preparation of research work in the field". This function may require a feasibility study or cooperation with the Executive Secretariat through missions to be assigned to tax administration officials of member countries with the basic aim of providing training courses and conducting research work.

6.2.3. Multinational Companies

In what concerns the operations of multinational companies, the Work Group appointed to this effect having met in Washington, D.C. in March 1976, recommends to the El Salvador Assembly that a technical conference be held on this topic for the purpose of making an in-depth analysis of the problems originating in the activities of such companies, and urges CIAT authorities to establish a compilation of information program within the Center framework on the following: areas in which member countries manifest their interest or lack of interest to enter tax treaties, and identification of legal provisions in force in each country representing obstacles to the entering of exchange of information agreements, as well as existing possibilities for the overcoming of such obstacles.

If such recommendations were to be approved by the Assembly, the identification of the legal provisions they mention would open new and important operational possibilities for CIAT as a Center of information. With a view to future activities in the area, we recall that on occasion of the Work Group meeting in Washington, D.C., the Executive Secretariat presented a Report where it set forth several possibilities, among which the following may be highlighted:

- The possibility for CIAT to act as a vehicle for the exchange of information in matters concerning multinationals;
- The possibility for CIAT to act as a center for the supply of information on general or specific tax legislation aspects, which may be used in legal actions before the Courts;
- The possibility for CIAT to offer assistance in order to implement the technical ability of auditors in the area of audit of multinational companies.

6.2.4. Tax Treaties

Notwithstanding the fact that the subject of tax treaties is closely related to the topic of multinationals, as may be observed upon reading paragraph 6.2.3. above, the Executive Secretariat discussed the following possibility with the Work Group on Multinationals in its meeting in Washington, D.C. in March 1976. "to study the advisability of setting up a Center, within the CIAT framework, for training of tax officials from member countries in the field of treaties concerning double taxation". As is shown by experience, tax administration officials find themselves increasingly involved in aspects concerning treaties on double taxation, for which reason it is considered essential that they should receive maximum training in this field in order to promote their greater understanding of the scope and objectives of these treaties.

In this field, it would also be possible to convene technical meetings for the detailed discussion of the problems involved for tax administration in the provisions of tax treaties and, basically, of the administrative procedures for the application of the same (particularly in the field of exchange of information).

6.3. Methods to disseminate CIAT activities

We are of the opinion that the topics discussed at the Assemblies and Technical Conferences of the Center, as well as its publications, represent very important background material that is to have an impact beyond that of meetings and publications. To this effect the participants in these meetings have repeatedly received a recommendation to the effect that they are to promote the greatest possible dissemination of the topics discussed and conclusions approved at such meetings, which, among other things, can be accomplished through the holding of local seminars or courses for the renewed discussion of the problems dealt with at the meetings. Those participating in the Assemblies and Technical Conferences would assume the responsibility of acting as moderators of these debates, of course offering the experience they have themselves derived from such events, so that the topics could be again discussed and the aspects of greater interest for the country in question could be stressed.

ANNEX 1CIAT MEMBER COUNTRIES TO MARCH 31, 1976

1. Argentina
2. Barbados. Joined in 1971
3. Bolivia
4. Brazil
5. Canada. Joined in 1969
6. Colombia
7. Costa Rica
8. Chile
9. Dominican Republic
10. Ecuador
11. El Salvador
12. Guatemala
13. Haiti. Joined in 1973.
14. Honduras
15. Jamaica. Joined in 1969.
16. Mexico
17. Netherlands Antilles. Joined in 1974
18. Nicaragua
19. Panama
20. Paraguay
21. Peru
22. Surinam. Joined in 1972
23. Trinidad & Tobago. Joined in 1969
24. United States of America
25. Uruguay
26. Venezuela

NOTE: All countries without specification of the year in which they joined CIAT, became members on occasion of the I General Assembly held in Panama in May 1967

ANNEX 2

<u>Nº</u>	<u>YEAR</u>	<u>HOST COUNTRY</u>	<u>CONCLUSIONS PUBLISHED IN THE NEWSLETTER ISSUE OF:</u>	<u>TOPICS DISCUSSED</u>
I	1967	PANAMA		<ul style="list-style-type: none"> - Problems in the Organization of Tax Administration - Tax Policy and its Relations with Tax Administration - Training - Public Relations and Taxpayer Education - Audit and the Resolution of Controversies between the Taxpayer and the Treasury - Collection of Delinquent Accounts - Automated Data Processing - Sales Tax
II	1968	ARGENTINA		<ul style="list-style-type: none"> - Planning for Efficiency in Tax Administration - Development and Practical Uses of the Information for the Management of Tax Administration - Implications for Tax Administration of the Existence of a Common Market - Establishment and Maintenance of a Taxpayer File
III	1969	MEXICO	June 1969	<ul style="list-style-type: none"> - Planning in Tax Administration - Planning of the Budget for Tax Administration - How to Bridge the Gap between Tax Policy Planning and Planning in Tax Administration - Planning for Audit - Operational Planning
IV	1970	URUGUAY	June 1970	<ul style="list-style-type: none"> - Current Status of Treaties to Avoid Double Taxation - Sales Tax Administration - Treatment of Small Taxpayers - Sales Tax Audit - Taxpayer Education - Dissemination of Taxation Standards - Taxpayer Assistance

ANNEX 2

CIAT ASSEMBLIES

<u>NO</u>	<u>YEAR</u>	<u>MOST COUNTRY</u>	<u>CONCLUSIONS PUBLISHED IN THE NEWSLETTER ISSUE OF:</u>	<u>TOPIC DISCUSSED</u>
V	1971	BRAZIL	June 1971	<ul style="list-style-type: none"> - Development, Tax Incentives and Evasion in Taxation - Administration of Tax Incentive Laws - Tax Evasion - Measurement of Tax Evasion - Abuses in Expenses Incurred Abroad
VI	1972	PARAGUAY	May 1972	<ul style="list-style-type: none"> - Planning in Tax Administration - Problems of Income Tax Administration in CIAT Member Countries - Problems of Sales Tax Administration in CIAT Member Countries - Evaluation of the Technical Assistance in Tax Administration Received by CIAT Member Countries
VII	1973	GUATEMALA	May 1973	<ul style="list-style-type: none"> - The Responsibility of the Tax Administrator of Informing and Educating the Taxpayer - Obstacles to the Treasury-Taxpayer Integration - Concrete Measures to Create and Maintain Tax Consciousness in the Population - The Role of Sanctions in Tax Office-Taxpayer Relations - A Taxpayer Information Program - A Model Publicity Campaign to Promote Payment of Taxes - Centralization vs. Decentralization in Tax Administration Functions - Experiences in Decentralization - The Problems and Requirements of Decentralization - The Human Factor and Automation - An Integral Plan for Training of Tax Officials - Measures to Ensure Honesty in the Official - Dividends, Interest and Royalties in Agreements <p style="text-align: center;">To Avoid Double Taxation between Developed and Developing Countries</p>

ANNEX 2

CIAT ASSEMBLIES

<u>No.</u>	<u>YEAR</u>	<u>HOST COUNTRY</u>	<u>CONCLUSIONS PUBLISHED IN THE NEWSLETTER ISSUE OF:</u>	<u>TOPIC DISCUSSED</u>
VIII	1974	JAMAICA	June 1974	<ul style="list-style-type: none"> - Tax Policy and Tax Administration Problems Posed by the Existence of Bearer Shares - Management Information for the Tax Administrator - Treatment and Administration of Large and Small Taxpayers
IX	1975	CANADA	June 1975	<ul style="list-style-type: none"> - Multinational Corporations - The Taxpayer Master File - VAT Administration
X	1976	EL SALVADOR		<ul style="list-style-type: none"> - The Administrator and the Organization - The Administrator and the Taxpayer - The Administrator and Tax Policy - Problems of International Taxation - The Impact of Inflation on Taxation - Effects of the Attestation of Financial Statements by Chartered Public Accountants

ANNEX 3

CIAT TECHNICAL CONFERENCES

<u>Nº</u>	<u>YEAR</u>	<u>HOST COUNTRY</u>	<u>CONCLUSIONS PUBLISHED IN THE NEWSLETTER ISSUE OF:</u>	<u>TOPIC DISCUSSED</u>
I	1969	COSTA RICA	- - -	- Tax Audit
II	1970	COLOMBIA	March 1970	- ADP and Tax Administration
III	1970	PANAMA	October 1970	- Tax Audit
IV	1971	PERU	February 1971	- ADP and Tax Administration
V	1971	PANAMA	September 1971	- Property Tax Administration
VI	1972	ARGENTINA	April 1972	- ADP and Tax Administration
VII	1972	PANAMA	September 1972	- Collection of Delinquent Accounts: Problems and Solutions
VIII	1973	HONDURAS	March 1973	- Training in Tax Administration
IX	1973	FEDERAL REPUBLIC OF GERMANY	November 1973	- ADP and Tax Administration
X	1974	ECUADOR	February 1974	- Tax Audit
XI	1974	SPAIN	January, April, May and July 1975	- Organization and functions of the Legal Department in Tax Administration
XII	1975	TRINIDAD & TOBAGO	March 1975	- Information Systems for Tax Administrators

ANNEX 3

CIAT TECHNICAL CONFERENCES

<u>Nº</u>	<u>YEAR</u>	<u>HOST COUNTRY</u>	<u>CONCLUSIONS PUBLISHED IN THE NEWSLETTER ISSUE OF:</u>	<u>TOPIC DISCUSSED</u>
XIII	1975	CHILE	May 1975	- ADP Applications to Tax Administration
XIV	1975	FEDERAL REPUBLIC OF GERMANY	October 1975	- Tax Collection
XV	1976	HAITI	February 1976	- Tax Audit
XVI	1976	COLOMBIA	March 1976	- ADP
<hr style="border-top: 1px dashed black;"/>				
I	1974	ARGENTINA	November 1974	- Symposium in Tax Administration - Problems of VAT Administration

ANNEX 4

EXCHANGE OF OFFICIALS PROGRAM (MISSIONS COMPLETED)

Nº TAX ADMINISTRATION
BENEFITED

<u>Nº</u>	<u>TAX ADMINISTRATION</u> <u>BENEFITED</u>	<u>DATE</u>	<u>TOPIC</u>	<u>ASSISTANCE</u>
1	PANAMA	June 14-30, 1971	Audit	Emilio Hernández Valtier Federal Tax Audit Department. <u>Mexico</u>
2	GUATEMALA	July 1971	Administrative Reorganization	Carlos da Silveira Hessel Superintendency Official Receita Federal Porto Alegre CMA Rio Grande do Sul <u>Brasil</u>
3	PARAGUAY	October 6-30-1971	Analysis of the Tax Structure of Paraguay	Juan Francisco Serra Chief, Partial Payment Facilities Income Tax Office - <u>Uruguay</u>
4	PERU	March 13-April 11, 1972	Orientation of Audit at the Management Level	Alfredo Julio Lamagrande Chief, Audit Programs and Standards, of the DGI - <u>Argentina</u>
5	COLOMBIA	April 19-22, 1972 May 15-25, 1972	Management of Documents and Files	María Estela de Moreno COFADE Official - <u>Panama</u>
6	ECUADOR	September 4-18, 1972.	Taxpayer File	Miguel Welsh Director, Data Processing Dept. <u>Panama</u>

EXCHANGE OF OFFICIALS PROGRAM (MISSIONS COMPLETED)

<u>Nº</u>	<u>TAX ADMINISTRATION BENEFITED</u>	<u>DATE</u>	<u>TOPIC</u>	<u>ASSISTANCE</u>
7	BOLIVIA	November 7-December 8, 1972	Audit of Alcohols and Tobacco	Arquimedes Matute Sifontes Chief, Regional Audit Division Western Center. <u>Venezuela</u>
8	PERU	November 30-December 16, 1972	General Supervision for the Field Audit Area	Ricardo J. Cousido y Carlos J. Isorna. Advisors to the Audit Programs and Standards Dept. of the DGI. <u>Argentina</u>
9	URUGUAY	March 12-April 10, 1973	Personnel Training	Sonia Xavier Andreole de Souza CETREMFA - <u>Brazil</u>
10	EL SALVADOR	May 28-June 15, 1973	COBOL Programming	José Vicente Mejía, Chief, Analysis and Programings ADP Division, Ministry of Finance and Public Credit - <u>Colombia</u>
11	VENEZUELA	January 11-February 15, 1974	Substitute Estate Taxes	Marfa E. Barilari Assistant Director, Information Division, Income Tax Office - <u>Uruguay</u>
12	NICARAGUA AND EL SALVADOR	January 20-March 1, 1974	Personnel Training	Sonia Xavier Andreole de Souza CETREMFA Official - <u>Brazil</u>
13	HAITI	June 10-July 9, 1874	Tax Audit	Gaston Moreau & George Ioutier <u>Canada</u>
14	COLOMBIA	February 9-16, 1975	Observation Visit to the IRS Washington	Internal revenue Service <u>United States</u>

EXCHANGE OF OFFICIALS PROGRAMS (MISSIONS COMPLETED)

<u>N°</u>	<u>TAX ADMINISTRATION BENEFITED</u>	<u>DATE</u>	<u>TOPIC</u>	<u>ASSISTANCE</u>
15	GUATEMALA	March 15-April 14 1975	Audit	Eduardo Acevedo Federal Tax Audit Dept. Official <u>Mexico</u>
16	ECUADOR	April 14-May 16, 1975	Audit Techniques Applicable to Oil Companies	Antonio Castejón Maduro and Angel A. Morales Chief Tax Auditor and Tax Auditor III Office for Tax Controls over Mines and Hydrocarbons, Ministry of Finance <u>Venezuela</u>
17	EL SALVADOR	June 7-14, 1975	Observation Visit to the Bo- gota Computer Center	Computer Center, Ministry of Finance <u>Colombia</u>
18	URUGUAY	June 8-14, 1975	Observation Visit and Participation in the IX Assembly	Department of National Revenue <u>Canada</u>
19	VENEZUELA	June 16-25, 1975	Taxpayer File	Mario Albertino N. Advisor to the Economic-Fiscal Information Center, Secretariat of Federal Revenue <u>Brasil</u>
20	HONDURAS	March 3-26, 1976	Personnel Administration	Waldas Vodopivec Secretariat for Federal Revenue <u>Brazil</u>
21	B. SALVADOR	TO BE COMPLETED	Audit	Under-Secretariat for Revenue <u>Mexico</u>

VOLUMES PUBLISHED UNDER THE STUDIES IN TAX ADMINISTRATION SERIES

<u>NUMBER</u>	<u>A U T H O R</u>	<u>T O P I C</u>
1	CIAT Executive Secretariat	- Some Aspects of Planning for Tax Reform in CIAT Member Countries
2	Juan Guillermo Cueva-Chile	- An Alternative in Planning for Audit at the National Level
3	Fabio Tulio Zilly-Mexico	- Some Aspects of Tax Depreciation: Study of the Panamanian Systems
4	Paul R. Howes - Price Waterhouse Review	- Security in Automated Data Processing: Is Your Guard Up?
5	Mark Spratt-Canada, Eddie Heronimus - United States	- Computerization in Tax Administration
6	Walter Campo-Uruguay	- The Form: Its Design, Control and Administration
7	Emilio Hernández V-México	- Some Aspects of the Tax Audit
8	CIAT Executive Secretariat	- The Administration of Tax Incentives
9	Norman Rogers-United States	- Presentation of Statistics for Directors
10	CIAT Executive Secretariat	- Improvement of Tax Office - Taxpayer Relations
11	CETREMFA - Brazil	- The Brazilian Experience in the Field of Personnel Training and Development at the Ministry of Finance: The Case of CETREMFA
12	CIAT Executive Secretariat	- Status of Automated Data Processing in Tax Administration in Countries in the Americas

VOLUMES PUBLISHED UNDER THE STUDIES IN TAX ADMINISTRATION

<u>NUMBER</u>	<u>A U T H O R</u>	<u>T O P I C</u>
13	CIAT Executive Secretariat	- English-Spanish Glossary of Tax Terms
14	CIAT Executive Secretariat	- Sales Tax in CIAT Member Countries and in Countries Members of the European Economic Community
15	CIAT Executive Secretariat	- The Organization of Tax Administration in CIAT Member Countries
16	Carlos Silvani and Aldo E. Schlemenson - Argentina	- Organization Analysis and Planned Change
17	General Directorate of Revenue	- Data Computer Systems at the General Directorate of Taxes of the Republic of Argentina
18 Vo. 1	Daisy Ampudia - Paper having received the First Prize of the I CIAT Essay Contest	- Professionalism in Tax Administration

Note: Volumes 16 and 17 are in the process of publication in the English Language.

ANNEX N° 6

BOOKS OF ASSEMBLIES PUBLISHED

	<u>Spanish</u>	<u>English</u>
I - PANAMA	X	(1)
II - BUENOS AIRES	X	X
III - MEXICO	X	X
IV - MONTEVIDEO	X	X
V - BRAZIL	X	(1)
VI - PARAGUAY	X	X
VII - GUATEMALA	X	X
VIII - JAMAICA	X	X
IX - CANADA	X	(1)

Note: (1) In the process of publication

BOOKS OF TECHNICAL CONFERENCE PUBLISHED

	<u>Spanish</u>	<u>English</u>
I - AUDIT - COSTA RICA	X	X
II - ADP - COLOMBIA	X	
III - ADP - PERU	X	X
VI - ADP - ARGENTINA	X	
VII - DELINQUENCY - PANAMA	X	
VIII - TRAINING - HONDURAS	(1)	
IX - ADP - FED. REP. OF GERMANY	X	
X - ADP - ECUADOR	X	(1)
XVI - ADP - COLOMBIA	X	X

VAT SYMPOSIUM BUENOS AIRES

(1)

Note: (1) In the process of publication

RESEARCH PAPERS PREPARED BY THE CIAT EXECUTIVE SECRETARIAT

T O P I CPUBLISHED:YEARN°

1	Several	NL Dec/68 Feb/73	May/69 Dec/73	Dec/72	- Charts concerning Taxes, Gross Product, Tax Revenue, Population, Collection Systems, Tax Returns
2	1969	DD			- A Sales Tax Project for Panamá (1).
3	1969	NL February/69			- The Problem of International Double Taxation.
4	1970	NL April/70			- Taxation of Corporations, Partners, and Shareholders.
5	1970	NL August/70			- Tax Treatment of International Carriers.
6	1970	SS N°1			- Some Aspects Concerning Planning for Tax Reform in CIAT Member Countries
7	1970	NL November/70			- Delinquency in Countries in the Americas
8	1970	GA Montevideo			- Current Status of Comparative Sales Tax Legislation
9	1970	DD			- Audit Powers of Tax Administration Offices in Countries in the Americas (2)
10	1971	DD			- Real Estate Tax at the National Level in CIAT Member Countries (3)
11	1971	DD			- Collection of Property Tax (3)
12	1971	DD			- Tax Incentives in Panamá (4)
13	1971	DD			- Incentives Administration Exemptions and Progressive Rates (3)
14	1971	SS N°8			- Administration of Tax Incentives
15	1971	NL January /71			- Tax Legislation Techniques
16	1971	SS N°10			- Improvement of Tax Office - Taxpayer Relations
17	1971	SS N°12			- Status of ADP and of its Applications to Tax Administration in Countries in the Americas

<u>N°</u>	<u>YEAR</u>	<u>PUBLISHED:</u>	<u>T O P I C</u>
18	1971	GA Rio de Janeiro (1971)	- Tax Incentives in Countries in the Americas
19	1972	GA Asunción (1972)	- Planning in Tax Administration: A Model for Panama
20	1972	TC Panama (1972)	- The Collection Function: Structure of a Model Processing System for Tax Collection
21	1972	DD	- International Cooperation for the Improvement of Tax Administration (5)
22	1972	TC Panama (1972)	- Amnesties and Pardons
23	1973	NL October/73	- Taxes Imposed on Entry and Exist of Passengers at Airports
24	1973	GA Guatemala (1973)	- Systems for Remuneration of Officials Existing in Some Member Countries
25	1973	SS N°14	- Sales Tax in CIAT Member Countries and in Countries Members of the European Economic Community
26	1974	DD	- The Importance of Voluntary Compliance (6)
27	1974	GA Jamaica (1974)	- Structure of an Information System for the Top Level Executive in Tax Administration
28	1974	TC Quito (1974)	- Organization and Functions of Tax Audit Department in the Tax Office
29	1974	DD	- Organization and Functions of the Legal Department in the Tax Office (7)
30	1974	STA Buenos Aires	- Sales Tax in CIAT Member Countries
31	1974		- The Evolution of Tax Administration in Countries in the Americas between 1970 and 1974 (8)
32	1975	SS N°13	- English-Spanish Glossary of Tax Terms (9)
33	1975	DD	- Procedures for Tax Collection Existing in Countries in the Americas (10)

T O P I C

PUBLISHED

N° YEAR

34	1974	DD	- Public and Private International Agencies, and Government and University Institutions Concerned with Training of Tax Administration Officials
35	1975	SS N°15	- The Organization of Tax Administration in CIAT Member Countries
36	1975	GA Canada (1975)	- Tax Aspects of the Activities of Multinational Corporations
37	1976	DD	- Improved Utilization of Technical and Management Resources for Audit (11)
38	1976	DD	- International Cooperation in ADP for Tax Administration (12)
39	1976	DD	- Report Presented to the Work Group on Multinational Corporations (13)
40	1976		- Report on CIAT presented to the X Assembly of the Center in El Salvador

364

References:

NL: Newsletter
 TC: Book on a Technical Conference
 GA: Book on a General Assembly
 SS: Studies Series
 DD: Directly Distributed to Participants

Notes:

- (1) Paper prepared at the Seminar held with "Santa Maria la Antigua" University students in Panama in October 1969.
- (2) Prepared for the III Technical Conference, on Tax Audit, held in Panama in September 1970.
- (3) Prepared for the V Conference, on "Property Tax Administration", jointly held with the United Nations in Panama in September, 1971.
- (4) Paper prepared at the Seminar held with University of Panama students in November 1971.
- (5) Paper presented to the Tax Conference held in Taipei in May 1972.
- (6) Paper presented to the Tax Administration Conference held in Beyrouth in November 1974.
- (7) Prepared for the XI Technical Conference having taken place in Spain in October 1974.

Notes (Cont.)

- (8) Paper prepared upon request by the Department for Economic and Social Affairs of the United Nations
- (9) The First Edition was published in 1973. Its revised version was this one published in 1975.
- (10) Paper prepared for presentation to the XIV Technical Conference held in the Federal Republic of Germany in 1975.
- (11) Paper prepared for presentation to the XV Technical Conference held in Port-au-Prince in January 1976
- (12) Paper presented to the Technical Conference, on ADP, held in Bogota in March 1976.
- (13) Report presented to the Work Group Meeting on Multinationals held in Washington, D. C. in March, 1976.