Inter-American Center
of Tax Administrations

Schweizerische Eidgenossenschaft
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Cooperation Program

Strengthening Tax Administrations in Latin America and the Caribbean

Period 2021 – 2025

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Cooperation Program. Strengthening Tax Administrations in Latin America and the Caribbean. Period 2021–2025

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Content

Remarks by the

Executive Secretary of CIAT
Márcio Ferreira Verdi

The primary purpose of the CIAT Executive Secretariat is to promote the exchange of knowledge to strengthen the capacity of tax administrations. This task relies primarily on cooperation, in which partners and members of thematic networks play a leading role. In this context, the Swiss State Secretariat for Economic Affairs (SECO) has been a key player in the development of tax administrations in Latin America and the Caribbean, providing resources, knowledge, and commitment to address strategic needs through the Inter-American Center of Tax Administrations (CIAT) and other relevant organizations operating in the region.

Thanks to this second CIAT–SECO Cooperation Program, implemented at a critical moment in history, the tax administrations of the beneficiary countries have been able to optimize processes that are pillars of the tax system (such as risk management, taxpayer registration, and invoicing systems, among others). Likewise, this support has made it possible to successfully address the recommendations arising from the global agenda and to drive institutional innovation, thereby exponentially multiplying the resources invested.

Furthermore, within the framework of this Program, thanks to our regional and international partners, we have been able to coordinate actions aimed at avoiding duplication of efforts and generating synergies. For their part, the cooperation of tax administrations that have authorized their officials to participate in providing support to their peers through the Program has been an essential resource for successfully implementing various projects.

I would like to conclude by expressing my deepest gratitude to SECO for the trust it has placed in the CIAT Executive Secretariat to manage resources aimed at strengthening tax administrations; to our regional and international partners, who contributed by supporting projects; and to all the tax administrations that shared their expertise within the framework of this Cooperation Program.

> *...the beneficiary countries have been able to optimize processes that are pillars of the tax system...*

Remarks by the

Co-Director of SECO's Macroeconomic Support Unit Jürg Vollenweider

The Economic Cooperation and Development Division of the Swiss State Secretariat for Economic Affairs (SECO) supports developing countries in creating favorable conditions for sustainable and inclusive economic development. Among its priorities is effective domestic revenue mobilization. Supporting fair and efficient tax systems fosters socio-economic development, strengthens governance, reduces aid dependency, and creates fiscal space to finance infrastructure and public services.

Following a first successful cooperation program with CIAT, SECO renewed its partnership with the organization for a second phase. The initial program supported six Latin American countries in modernizing their tax system and resulted in strengthened processes, improved use of data and enhanced technology adaption. Building on this work, the second phase of the program supported Belize, Bolivia, Colombia, Guatemala, Honduras, Peru, and Suriname and delivered tangible results in the areas of risk management, international taxation, and digitalization.

We are proud of what the CIAT–SECO partnership has achieved over a decade of collaboration from 2015 to 2025. Nevertheless, many CIAT member countries continue to face significant challenges in effectively collecting taxes and still have considerable potential for further domestic revenue mobilization. SECO is therefore confident that CIAT will continue its excellent work beyond the CIAT–SECO partnership, further strengthening tax administrations across its membership, and wishes the organization every success in this endeavor.

> *Supporting fair and efficient tax systems fosters socio-economic development.*

Challenges and Achievements of the CIAT–SECO Cooperation Program

Isaác Gonzalo Arias Esteban
Director of International Cooperation and Taxation

During the implementation of the first CIAT–SECO Cooperation Program (2015–2019), the CIAT Executive Secretariat drew on experiences that have been instrumental in achieving the success of the second Program. For example, although some of the beneficiary countries' governments faced political crises, unforeseen events, and the loss of key officials, among other situations, the flexibility provided by SECO within the framework of the program—combined with CIAT's experience and the strong commitment of the beneficiary countries—ensured that these contingencies did not significantly affect the achievement of performance and impact indicators.

The current Program (2021–2025) was implemented in an even more complex global context, characterized primarily by the effects of the post-pandemic period, successive changes in leadership within the governments and/or tax administrations of the beneficiary countries, domestic and international political crises, and economic transformation.

In this dynamic context, we have also had to adopt a highly flexible approach, particularly in the selection of topics, time management, resource allocation, and project indicators. This adaptability allowed us to move forward at different paces, in accordance with each country's circumstances and the characteristics of the projects, while remaining on course.

Through this Cooperation Program, priority has been given in most cases to projects that can be conducted using the resources and legal frameworks available in each country. This approach made it possible to better manage timelines and achieve measurable results within a reasonable timeframe, while also formulating, in parallel, recommendations to optimize tax policy or create new reporting regimes.

These projects have addressed complex issues, such as taxpayer registration, risk management, advance disclosure of tax planning schemes, the treatment of intangibles and complex international transactions, the resolution of international disputes, unilateral, bilateral, and multilateral advance pricing agreements, electronic invoicing, international double taxation treaties, the automation of collection management, and the monitoring of high-income and/or high-net-worth individuals.

Today, thanks to the joint efforts of all those who contributed to the Program, we have succeeded in strengthening the capacities of seven tax administrations and/or laying the groundwork for the sustainable development of critical processes. According to information reported by the beneficiary tax administrations, this work made it possible to mobilize resources totaling approximately USD 496 million. This result represents a return of approximately 220 times the financial contribution provided by SECO and 116 times SECO's contribution, combined with the in-kind contributions provided by the beneficiary countries, CIAT, and strategic partners.

I would like to thank SECO for the trust it has placed in the CIAT Executive Secretariat and for its interest in contributing to the development of countries in Latin America and the Caribbean. I would also like to extend my gratitude to Spain's State Tax Administration Agency for sharing its knowledge with its counterparts in the region, and to the international organizations (IDB, IMF, World Bank, and UNDP) that contributed to the Program and for their willingness to coordinate and complement our efforts.

I would also like to highlight the work of all those officials from the beneficiary tax administrations who, in leadership, coordination, and operational roles, went beyond to achieve the aforementioned results. The contribution of each of the stakeholders involved in the Program has enabled us to better fulfill our mission, which is to strengthen the capacities of tax administrations.

1. Purpose and Scope of the CIAT–SECO Cooperation Program 2021–2025

The CIAT–SECO Cooperation Program aims to promote the mobilization of additional tax revenue, reduce dependence on official development assistance, and enable sustainable financing, with the ultimate goal of reducing poverty levels. To this end, in this new phase, efforts were focused on the institutional strengthening of the region's tax administrations, with the aim of increasing tax collection and financing public services that promote social welfare, through the adoption of international best practices adapted to each national context.

The Latin American and Caribbean countries that benefited from this second phase of the Program were: Belize, Bolivia, Colombia, Guatemala, Honduras, Peru, and Suriname.

Between 2021 and 2025, a total of 648 weeks of technical assistance were provided in these countries, distributed across 12 projects supported by 75 experts from CIAT's Network of Experts. Thanks to advances in communications driven by the COVID-19 pandemic, it was possible to provide technical assistance virtually in 83% of cases. This remote work model, implemented for a significant portion of the program's execution, yielded important benefits, including more efficient use of consulting time, reduced logistics costs—which could be reallocated to consulting hours—and a contribution to environmental protection resulting from the reduction in carbon emissions associated with air travel.

The topics addressed by the Program were as follows:

- Implementation of strategies to improve tax compliance: management of tax noncompliance risks (Belize, Bolivia, Colombia, Peru).

- Promotion of the digitization and modernization of control systems: electronic invoicing, BI, Big Data, Networks, and Graphs (Belize, Colombia, Honduras).

648
weeks of technical assistance

12
projects

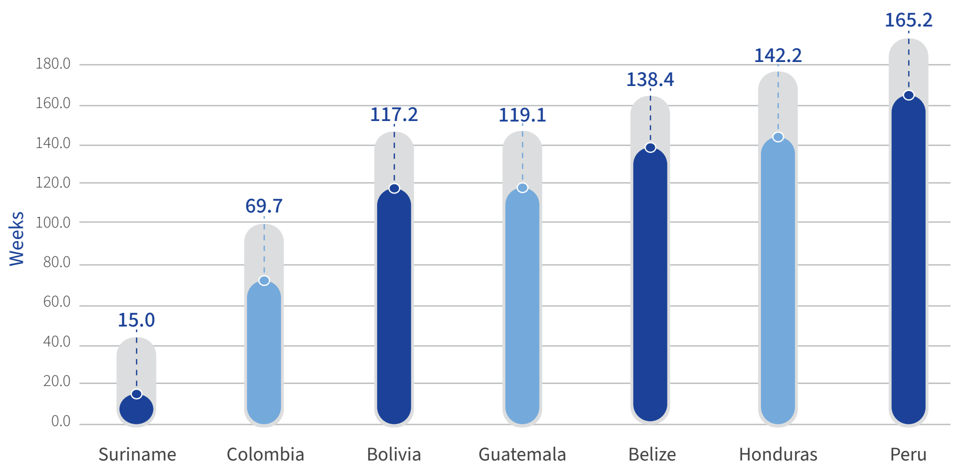
7
countries

75
experts

- Capacity building to address global tax challenges: transfer pricing, tax treaties, transparency, and oversight of international tax planning (Bolivia, Colombia, Honduras, Peru).
- Optimization of tax debt recovery processes: enforced collection (Guatemala).

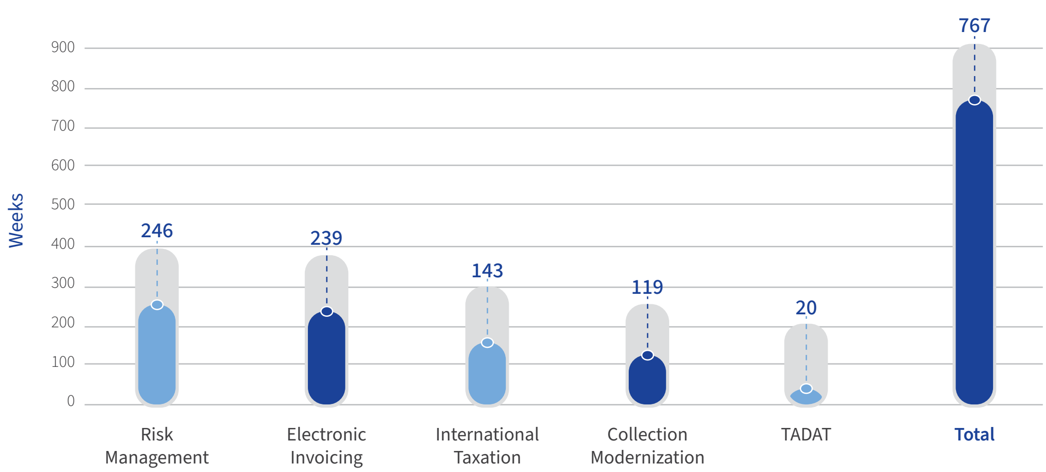
Application of International Diagnostic Tools for Continuous Improvement in Tax Administration: TADAT (Tax Administration Diagnostic Assessment Tool) (Bolivia, Suriname).

Weeks of attendance **by beneficiary country**



Note: One week is equivalent to five working days.

Weeks of attendance **by topic**



Note: One week is equivalent to five working days.

2. Investment and Financial Impact of the CIAT–SECO Program II

The CIAT–SECO Cooperation Program mobilized a total investment of approximately USD 4.3 million. This investment was made possible by a contribution of CHF 2.1 million (USD 2.2 million) in financial resources from the Swiss Government, through the State Secretariat for Economic Affairs (SECO), as well as in-kind contributions from the beneficiary countries, the CIAT Executive Secretariat, and other strategic partners, which reinforced the collaborative and sustainable nature of the initiative.

USD 4.3 million

Approximate total investment

This investment has yielded significant results in the beneficiary countries, both in terms of actual and potential revenue. The total actual revenue for 4 of the 7 beneficiary countries amounted to USD 495.6 million. For the remaining 3 countries, impacts are expected to be realized in the medium term.

USD 495.6 million

Approximate total actual revenue collection

This actual revenue represents an impact 196 times the total amount invested.

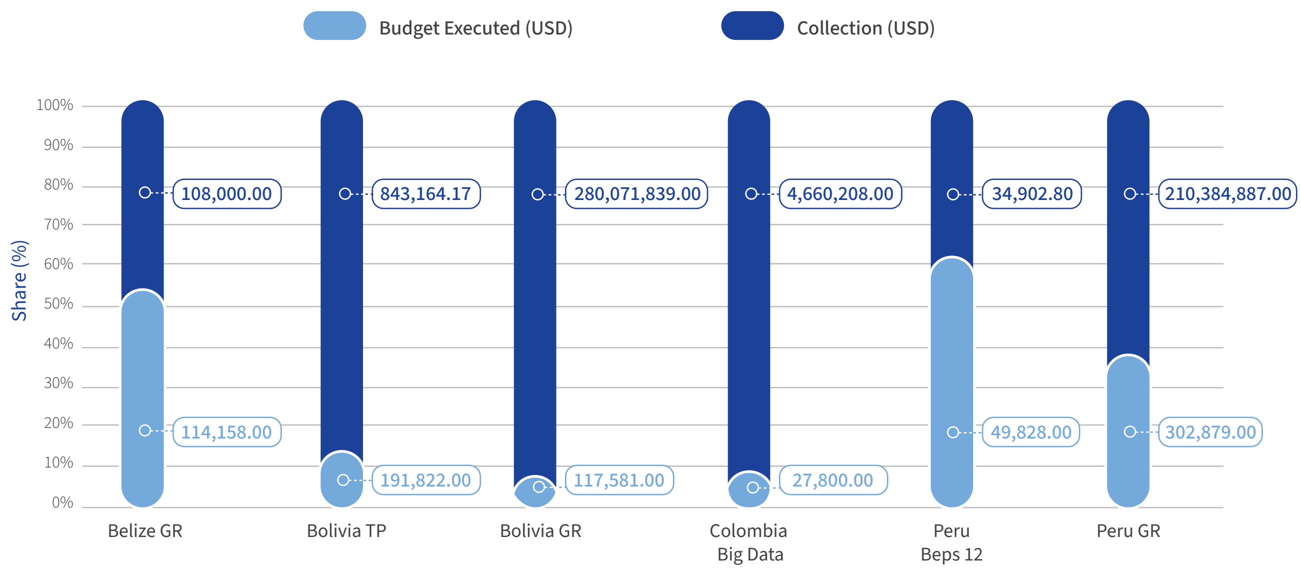
Another indicator of impact is potential revenue, derived from enforcement actions that have not yet generated actual revenue. This potential revenue was estimated at USD 672,567,760 for 4 of the 7 beneficiary countries and stemmed from tax assessments resulting from audits, inspections, or investigations based on an optimized risk analysis. Furthermore, these enforcement actions led to the imposition of monetary penalties, which are included in the aforementioned amount. Although there is no certainty that this sum will be collected in full by the reporting countries, it is understood that these actions create a sufficient perception of risk to promote voluntary compliance in future periods.

These results stem from proper project planning and the selection of priority issues, the strong commitment of the authorities and staff of the beneficiary tax administrations, and, in particular, the flexibility and dynamism of the Cooperation Program, which has made it possible to adapt to each specific context and situation. In the three countries where a financial impact—in terms of actual or potential revenue collection—has not yet been achieved, solid foundations have been laid for essential processes that currently require further development to ensure their effective implementation. These include collection systems, invoicing systems, and the conduct of a comprehensive assessment of the tax administration to develop a development plan, among others.

Impact on the **Tax Revenue**

Collection vs Budget Comparison

(Amounts in USD)



Total Budget Executed 801,168.00 USD	Total Collection 496,358,001.97 USD	Average Collection/ Budget Ratio 619x

Note: Percentages represent the share of each component (Budget Executed vs Collection) within the total per project.

Indicators

Total Investment 4,266,585.00

SECO Investment 2,072,236.11

Effective Collection 496,103,000.97

Collection Percentage over Total Investment 116.17

Collection Percentage over SECO Investment 239.18

3. Beneficiary Countries and their Projects

3.1 Belize

The Belize Tax Service (BTS) focused its strategic efforts on strengthening comprehensive risk management, increasing tax compliance, and issuing electronic tax documents as part of its institutional modernization.

Officials from the Belize Tax Service (BTSD): Ms. Shirleen Coote (Deputy Director-General for General Services), Ms. Lisa Clare (Deputy Director-General for Policies and Programs), Ms. Michelle Longsworth (Director General), Ms. Sharon Moya (Assistant Director General of Policy and Programs), Mr. Martín Slemenson (CIAT Consultant), and Ms. Vilma Broaster (Deputy Director General of Operations).

Project: Tax Intelligence Focused on Risk Management

Context in which the project was conducted

The Government of Belize modernized its tax administration and enhanced operational efficiency by merging the General Sales Tax (GST) and Income and Business Tax Departments to form the Belize Tax Service (BTS), a new organizational structure aimed at strengthening its core business processes. Among the identified priorities was building a dedicated Tax Intelligence capability to gather and analyze data for detecting non-compliance.

Therefore, in 2021, Belize requested technical assistance from the CIAT–SECO Cooperation Program with the objective of designing and implementing a risk management model, as well as fostering an institutional culture based on this approach. As a result, the project “Tax Intelligence Focused on Risk Management” was developed to improve resource allocation efficiency, enhance transparency, increase revenue collection, and promote the adoption of risk management as an institutional practice.

Collaboration between the Belize Tax Service and the CIAT–SECO Program began with a strategic focus on improving compliance and revenue collection through the strengthening of taxpayer registration. This approach was aligned with TADAT standards and prioritized large taxpayers, given their significant contribution to revenue.

The sequential approach of the projects first addressed critical deficiencies in contact information that hindered effective communication; it then expanded to correct data quality issues and finally focused on compliance risk management challenges related to timely filing and payment rates.

This interconnected methodology allowed each project’s success to build upon previous achievements while addressing key operational weaknesses.

Achievements

The technical assistance provided yielded measurable results across all project areas. Improvements in the large taxpayer register significantly enhanced communication effectiveness, increasing awareness of filing obligations from 43% to 70%, and satisfaction with communication from 69% to 83%.

Data quality improvement initiatives resolved approximately 79% of duplicate social security number cases affecting more than 4,000 taxpayer identification numbers and deactivated 85% of employee records incorrectly assigned to other tax categories, improving the reliability of the registry for segmentation and risk analysis.

Even more importantly, the implementation of the Comprehensive Risk-Based Compliance Management Model structurally transformed the Department’s approach to compliance. The June 2025 pilot program, conducted in four districts, achieved outstanding results: 200 high-risk cases identified, 136 actively managed, and a recovery rate of 33%, equivalent to 68 regularized tax returns and actual tax revenue of BZD 217,147.74 (USD 108,000.00).

Sustainability

The BTS has implemented comprehensive sustainability measures, incorporated into its operational plans for fiscal year 2025/2026. These include continuous monitoring mechanisms led by the Policy and Programs Unit, the issuance of quarterly bulletins to the Large Taxpayers Office, and systematic data quality maintenance processes involving frontline staff.

The CIAT–SECO collaboration has been transformative, facilitating access to expert consultants with specialized knowledge that has elevated the Department's capabilities to levels comparable with international peers.

While challenges arose due to time and staffing constraints, the flexibility and commitment of both parties enabled these obstacles to be overcome, consolidating this partnership as a key driver in strengthening the tax administration and achieving results that will continue to benefit taxpayers in the long term.

Project: EFDR – CIAT System for the Receipt of Electronic Fiscal Documents

Context in which the project was conducted

Belize was engaged in a process of modernizing its tax administration with the aim of strengthening tax control and improving the efficiency of tax information management. In this context, the country sought to implement its first national electronic invoicing system—an initiative that is pioneering in the Caribbean and essential for advancing towards a more digital, secure, and transparent tax administration model.

CIAT had been supporting Belize in the conceptualization and design of this system, using Belize's own resources obtained through an IDB loan. However, the scale of the project and the need to incorporate additional functionalities not originally envisaged required further resources and development efforts. At the same time, it was recognized that many smaller tax administrations, including several CIAT member countries, face technical and budgetary constraints in designing, implementing, and maintaining an electronic document receipt system on their own.

In response, CIAT submitted to the Belize Tax Service a proposal to develop a ready-to-use electronic invoicing solution, intended to serve as a common tool available to countries throughout the region. With the support of the SECO Program, it was possible to complement the efforts undertaken with Belize and the IDB, accelerate implementation timelines, and develop a platform capable of operating under a cloud-based service model. Under this approach, any tax administration could benefit from the system by covering only the proportional costs of infrastructure and storage, based on taxpayer demand.

As a result, the project in Belize was implemented within a framework of innovation, international cooperation, and the pursuit of sustainable solutions for countries with varying levels of technological capacity. Beyond its direct support to Belize, the initiative laid the groundwork for other small and medium-sized administrations to adopt electronic invoicing at a time when this tool is becoming an increasingly widespread standard across the region.

Achievements

Project implementation enabled noteworthy progress in the rollout of the electronic fiscal document receipt system in Belize. Approximately 30 companies were formally onboarded as participants in the pilot phase, which is still ongoing. This process, which typically requires two to three months from the start of testing, is already yielding verifiable results thanks to the automated validation mechanisms embedded in the platform. Each successful transmission—defined as the establishment of a secure connection and the submission of a correctly formatted document—is recorded as a full approval, while unsuccessful attempts are also documented, ensuring full traceability of each participating taxpayer’s performance.

The successful transmissions achieved during the pilot phase represent a significant milestone, demonstrating that the system operates in a stable, secure manner and in accordance with established standards. In addition, the availability of automated reporting on all transmissions enhances the tax administration’s monitoring capabilities and facilitates support to taxpayers during this pilot stage.

Sustainability

The project includes a clearly defined sustainability framework, jointly developed with the Belize Tax Service (BTS). The first step involved the establishment of a pilot phase comprising the taxpayers already onboarded, whose performance will enable the precise identification of any necessary system adjustments. Any improvements arising from this phase will be incorporated, ensuring that the platform fully meets functional and operational requirements before progressing to broader stages of implementation.

Pending the successful completion of the pilot phase, the project will advance to a voluntary phase later in 2026, during which additional taxpayers will be invited to adopt the system, followed by a mandatory rollout to be implemented in a phased approach. Although the direct impact on tax compliance and revenue collection will become evident in future fiscal periods, the project has already laid the groundwork for strengthening the perception of risk and enabling control processes to fully leverage the information generated through electronic documents.

International experience shows that electronic invoicing tends to deliver substantial improvements in both compliance control and service delivery, particularly when integrated with other tools such as pre-filled tax returns. While these impacts will depend on existing levels of non-compliance in the jurisdiction and the administration's analytical capacity, the pilot has created the necessary conditions for these benefits to materialize as the system advances toward voluntary and mandatory adoption.

The electronic invoicing System being implemented under the Belize Tax Service is on track to become a functional and sustainable tool for managing fiscal documents in Belize. The experience gained during its development has already positioned it as a mature and proven solution, one that can be considered by other CIAT member tax administrations interested in adopting an electronic invoicing System. As a result, the project ensures its ongoing sustainability and development in Belize, while also standing as a valuable model for tax administrations across Latin America and the Caribbean.

Perspectives from the Key Players

Scan this QR code to watch the video.

Lisa Claire
Deputy General Manager – BTS

“In recent months, our administration has taken decisive steps to strengthen its operational and strategic capabilities, with a clear vision: to build a modern, risk-based tax administration focused on tax justice.

Five key milestones have been achieved: improved accuracy of our large taxpayers registry, enhancing our ability to reach taxpayers about changes and strengthening client relationships; implementation of comprehensive data quality policies, with constant monitoring, making accuracy the cornerstone of operations; development of a tax risk management model, featuring segmentation, standardized procedures, and KPI tracking, ready for implementation at the district level; Integrating risk management principles throughout the organization, led by the Policy and Programs Division, to promote coordinated, data-driven decision-making; and developing an electronic invoicingsystem that will enable more accurate reporting, reduce tax gaps, and provide real-time monitoring.

This process has strengthened the public confidence in the fairness of the tax system and the country’s institutional capacity.

We are deeply grateful for the support of CIAT and SECO, and we are excited to continue on this path toward a modern, smart, and forward-looking tax administration”.

Sharon Moya
Assistant Director General
of Policy and Programs - BTS

“The collaboration between the BTS and the CIAT–SECO program was based on a solid strategy to improve tax compliance and revenue collection, beginning with the strengthening of the taxpayer registry, particularly for high-income taxpayers.

This phased approach made it possible to address key issues such as the lack of contact information, data quality, and compliance risk management.

The results were transformative: improvements to the large taxpayer registry increased awareness of tax obligations from 43% to 70% and satisfaction with communication from 69% to 83%. 79% of cases involving duplicate Social Security numbers, affecting more than 4,000 records, were resolved, and 85% of erroneous employee assignments were corrected.

The risk-based compliance management model identified 200 high-risk cases, actively managed 136 of them, and resolved 33% of those cases.

Collaboration with CIAT–SECO has been key to strengthening the department’s capabilities to the level of its international peers, overcoming challenges thanks to the commitment and flexibility of both parties”.

Raul Zambrano
Director of Technical Assistance
and Innovation - CIAT

“The project was selected under the CIAT–SECO Program in response to the need to support small tax administrations, such as Belize’s, which faced limitations in developing and maintaining robust electronic invoicing systems. With support from the IDB, CIAT designed a technological solution conceived as a public good, enabling these countries to operate systems for receiving electronic tax documents at costs proportional to usage, through cloud-based infrastructure.

Once fully implemented, Belize’s national electronic invoicing system is expected to deliver lasting benefits across the tax administration and the wider economy. These include improved accuracy and timeliness in tax reporting, stronger controls to detect and deter non-compliance, and a broader tax base supported by more reliable, real-time data. Over time, the system is also expected to reduce the administrative burden on both taxpayers and the BTS, streamline audit and risk-assessment processes, and lay the foundation for future innovations such as pre-filled tax returns.

Beyond its technical and operational gains, successful implementation will reinforce public trust in the tax system, strengthen Belize’s institutional capacity, and position the country as a regional leader — offering a proven model that other Caribbean tax administrations can look to as they consider their own digital transformation journeys”.

3.2 Bolivia

Bolivia's National Tax Service (SIN) identified the strengthening of comprehensive risk management and the control of transfer pricing as strategic priorities.

CIAT delegation accompanied by the former President of SIN Bolivia and the Minister-Counselor of the Swiss Embassy in Bolivia, during the institutional visit in June 2025.

Project: **Transfer Pricing in Bolivia**

Context in which the project was conducted

With the support of the first CIAT–SECO Project, implemented between 2015 and 2019, Bolivia's National Tax Service (SIN) successfully operationalized the transfer pricing regime in force since 2014. During that phase, the main challenge was to establish the foundational elements required to launch the regime. However, the complexity of introducing such a system for the first time in a country requires sustained technical support. This process is essential to achieving an appropriate level of specialization within a reasonable timeframe, while also helping to mitigate risks associated with staff turnover among technical personnel.

In this context, during the second phase of the CIAT–SECO Program, the SIN requested support to strengthen its transfer pricing capabilities, with the aim of improving the efficiency, accuracy, and oversight of transactions between related parties, through the incorporation of new tools and specialized expertise.

The prioritization of this technical assistance reflects the importance of the Corporate Income Tax in Bolivia, which accounted for 14% of total tax revenue in 2022, making it the second most significant tax after VAT ("Revenue Statistics in Latin America and the Caribbean 2023," OECD, ECLAC, CIAT, IDB, OECD Publishing). Given the significant share of related-party international transactions within this tax, the project focused on strengthening risk-based management and enhancing control actions through the development of analytical tools and the training of specialized technical teams to apply transfer pricing regulations at both operational and strategic levels.

Achievements

Within the framework of the project, a risk assessment and classification model for transfer pricing was designed and updated, based on the use of algorithms, for application in the 2023 fiscal year. This tool enabled the identification of taxpayers with risk profiles related to transfer pricing manipulation, thereby supporting more effective resource allocation through the definition of targeted audit strategies.

At the same time, technical documents were developed for the analysis of income across key economic sectors, along with an exploratory study on the use of artificial intelligence tools in transfer pricing audits. These efforts aimed to modernize SIN's analytical capabilities and lay the foundation for a data-driven approach, enabling the implementation of predictive analysis.

The results of this approach are reflected in audits conducted in key economic sectors such as commerce, pharmaceuticals, industry, and services. With direct support from the CIAT–SECO Program in 17 cases, substantial increases in taxable bases were achieved through adjustments in the commerce (18%), industry (75%), and services (110%) sectors. This effort resulted in potential revenue gains of USD 21,060,545 and effective revenue collection of USD 843,164. In addition, SIN improved its operational efficiency by progressively reducing audit timelines, which translated into lower administrative costs.

In parallel, and with the objective of providing feedback to fiscal policy authorities on opportunities to strengthen the transfer pricing regime after several years of implementation, the SIN—supported by the CIAT–SECO Program and in collaboration with the Spanish Tax Agency (AEAT)—promoted updates to Bolivia's regulatory framework. Furthermore, the first Transfer Pricing Procedures Manual was developed, aligned with international standards.

This work enabled a comparison between national experience and international best practices, with a view to formulating recommendations tailored to the local context. As a result, it contributes to the consolidation of a clearer, more operational, and internationally consistent regulatory framework.

In summary, the project generated key technical outputs—including risk matrices, sectoral reports, analytical studies, and regulatory proposals—while also increasing both potential and actual revenue collection and strengthening the institutional capacity of the SIN. This was achieved through improvements in internal processes and by laying the groundwork for a more strategic, efficient, and sustainable approach to transfer pricing management.

Sustainability

To ensure the sustainability of the efforts undertaken, a report was prepared containing proposals for regulatory changes to the transfer pricing regime, tailored to the Bolivian context. This document was submitted to the competent authority for review and potential approval. In addition, internal procedural manuals were developed and implemented for transfer pricing assessment processes, with the objective of preserving and institutionalizing technical knowledge, standardizing criteria, and structuring control procedures in line with international best practices and recommendations.

Human capital development was further strengthened through the acquisition of a commercial database license, an essential tool to support transfer pricing control activities.

Thanks to the synergy between the support provided by the program and the work conducted by the SIN, audit processes are now more targeted and effective, with a higher level of analysis of the critical aspects associated with transfer pricing. The next challenge lies in gradually addressing more complex transactions, such as the valuation of intangibles and corporate restructuring processes, among others.

Taken together, these actions have established a solid foundation for the continued development of SIN in this area.

Project: **Global Risk Index Estimation**

Context in which the project was conducted

Like other tax administrations, one of the main challenges faced by the SIN lies in addressing tax non-compliance in a smart manner—characterized by a high degree of precision, a preventive approach, and the efficient use of available resources. In this regard, the need was identified to establish robust risk analysis processes and tools capable of systematically identifying and assessing diverse types of non-compliance, with the aim of strengthening control and promoting voluntary compliance.

At the same time, it was considered essential to incorporate advanced technology to enhance SIN's operational capacity. This includes enabling faster access to information, facilitating report generation, improving user efficiency, increasing processing capacity for large-scale data matching, and strengthening the management of taxpayer information to assess risks in potential tax evasion cases. To this end, efforts focused on enhancing SIN's IT tool known as Risk Management Analysis, consolidating it as the core engine for data-driven control.

In parallel, the project included actions to strengthen the SIN's managerial capabilities, ensuring that the modernization of risk management and the adoption of a risk-based approach are effectively governed and that decision-making is grounded in evidence.

The decision to strengthen digital monitoring of tax compliance across the dimensions of registration, timely filing and payment, data accuracy, and enforced collection aligns with the guidelines of the Tax Compliance Control and Improvement Plan (PCMCT) adopted by the SIN. This plan aims to optimize compliance levels through behavior-based, differentiated treatment strategies to reduce compliance gaps.

Based on the estimation of non-compliance propensity, the approach seeks to identify taxpayers with a higher likelihood of evasion, segmented by economic activity, category, taxpayer type, or tax regime, thereby facilitating the prioritization of control actions and preventive measures. The approach and tools adopted by the SIN, with support from the Project, also contribute to improving efficiency and reducing compliance costs for both the Administration and taxpayers, while strengthening traceability, transparency, and fairness in the application of the law.

Achievements

Among the main achievements, particular emphasis should be placed on the digital tools implemented to strengthen the monitoring of tax compliance. Specifically, integrated dashboards were designed and deployed to enable real-time monitoring of the four key compliance dimensions: registration, timely filing, timely payment, and accuracy of information.

In addition, a specialized dashboard was developed for the segmentation of the tax arrears portfolio. This tool incorporates variables such as the age of the debt, income level, net worth, and taxpayer risk profile, enabling the estimation of tax solvency—that is, the taxpayer's ability to meet their fiscal obligations.

The results generated through this system have significantly accelerated the recovery of collectible debts, thereby optimizing debt collection management. As evidence of this impact, between 2020 and 2024, revenue from enforced collection actions quadrupled, increasing from 529 million to 1,949.3 million Bolivianos, representing a cumulative increase of 268%. This growth reflects a structural improvement in tax debt management, driven by the adoption of a risk-based management approach and the prioritization of cases with a higher likelihood of recovery.

The strategy also placed particular emphasis on recent debts, based on mathematical models developed by the tax administration. These models demonstrate that the recovery rate declines progressively as the age of the debt increases. This evidence supported the prioritization of early collection actions to maximize recovery and reduce the risk of non-collection.

Furthermore, partial automation of enforced collection processes was achieved, resulting in reduced administrative processing times, standardized procedures, and improved traceability of actions. This, in turn, strengthened institutional efficiency and transparency in the revenue collection process.

The impact of the project extended beyond revenue collection. The digital tools and dashboards developed under the project include specific indicators for identifying registration gaps, particularly aimed at detecting simulated transactions and false invoicing. Their implementation enabled more accurate identification of unregistered taxpayers and contributed to reducing compliance gaps in registration. According to the 2025 TADAT assessment conducted by the IMF, IDB, and CIAT, Bolivia improved its rating in indicator A1-2 "Knowledge of the Potential Taxpayer Population," moving from C to B compared to the 2018 assessment. This improvement is attributed to the systematic incorporation of external data sources—such as social security data and electricity consumption records—and the implementation of on-site registration programs, which resulted in the registration and reactivation of more than twenty thousand taxpayers in 2024.

The combination of these technological and operational tools has transformed SIN's management model, equipping it with stronger analytical capabilities grounded in data and objective risk criteria. As a result, the institution has not only strengthened revenue collection and early detection of non-compliance but has also laid the foundation for a more strategic and sustainable approach that prioritizes efficiency, fairness, and transparency in tax compliance.

Sustainability

The project was designed to deliver immediate results while laying the foundation for sustainable management in this area. Given the significant scope for improvement in risk management, the SIN now has the tools and knowledge required to continue developing its control system, ensuring that the progress achieved is maintained, updated, and expanded in line with evolving institutional needs and contextual changes.

Specifically, to ensure the sustainability of these advances, the formal integration of the digital tools developed under the project into SIN's Annual Operational Plans (AOPs) has been defined. This includes the establishment of performance, compliance, and impact indicators, whose results enable the evaluation of dashboard effectiveness, inform decision-making, and support the continuous improvement of risk management processes.

These actions create the conditions for SIN to continue operating autonomously and sustainably in addressing tax compliance gaps.

Perspectives from the Key Players

Scan this QR code to watch the video.

Juan Carlos Huayhua Condori

Former National Manager of Audit and International Taxation at SIN (2025)

“The SIN-CIAT–SECO II Transfer Pricing Project was instrumental in strengthening the oversight of international transactions between related parties, an area characterized by its high complexity and tax risk. Through the application of risk methodologies and analytical tools, 17 audits were conducted on large taxpayers, resulting in significant tax adjustments.

Key achievements include the consolidation of the International Taxation Department and the submission of regulatory proposals aligned with international standards. The impact was evident in increases in the tax base by sector: 18% in commerce, 75% in industry, and 110% in services.

To ensure the sustainability of these advances, measures were implemented, such as the acquisition of specialized databases, the development of the first Transfer Pricing Procedures Manual, ongoing technical training, and the coordination of upcoming technical assistance under the TIWB program”.

Scan this QR code to watch the video.

Isabel Padilla Tardío
Former National Manager of Legal and Tax Compliance Affairs at SIN (2025)

“The implementation of the risk management project at the SIN, under the CIAT–SECO program, marks a milestone in institutional modernization. Through digital monitoring of tax compliance and the use of analytical tools, critical areas such as registration, filing, payment, and enforced collection were strengthened.

This approach not only improved operational efficiency and fairness in law enforcement but also enabled progress toward evidence-based management, aligned with international standards. Cross-departmental coordination, internal training, and technical cooperation were key to adapting digital solutions to the Bolivian context and ensuring their sustainability”.

Scan this
QR code
to watch
the video.

Jorge Saavedra
Former Head of the International Taxation and Transfer Pricing Department (2025)

"Specialization in transfer pricing was established as a strategic priority to bridge technical gaps and address the growing complexity of international operations. Thanks to the CIAT–SECO project, the technical team received intensive training and access to modern tools that are currently being applied in actual audit processes.

A key achievement of this phase was knowledge transfer; the team moved from relying on external support to developing its own capabilities, applying standardized methodologies that improved efficiency in case selection and review.

Sustainability Results and Milestones:

- *Installed capacity and operational impact:* Seventeen audits were conducted in key sectors, and more than 30 officials were trained in international regulations and valuation methods.
- *Data-driven risk management:* An updated risk matrix was developed, enabling the identification of high-risk taxpayers.
- *Sustainability:* Creation of a sector-specific database, standardization of processes, and publication of a specialized manual to ensure the continuity of the progress made.

International cooperation has been key to incorporating best practices and consolidating these achievements in the medium and long term".

3.3 Colombia

Colombia's National Tax and Customs Directorate (DIAN) is advancing tax management by building capacity in international taxation and applying advanced methodologies such as business intelligence, big data, and network analysis.

CIAT delegation, accompanied by DIAN staff, experts from Spain's State Tax Administration Agency, and SECO's Senior National Program Officer in Colombia, at the DIAN offices, May 2025.

Project: Capacity Building in International Taxation

Context in which the project was conducted

The International Taxation Capacity Building Project was launched in 2023, following DIAN's most recent organizational restructuring in 2021, a milestone that marked a turning point for the institution. During this period, the institution was embarking on a process of institutional transformation aimed at modernizing its management and strengthening its technical capabilities. In response to the increasing complexity of cross-border transactions and the expansion of multinational business structures, DIAN undertook the challenge of updating its control mechanisms, enhancing human capital, and aligning its practices with international standards.

In this context, the project emerged as a strategic response to the need to strengthen the planning and oversight of international transactions while enhancing the management of large taxpayers. Its key pillars included the substantive analysis of complex transactions subject to the transfer pricing regime, the strengthening of information exchange, the adoption of a preventive approach through the conclusion of Advance Pricing Agreements (APAs), and the efficient resolution of international tax disputes through Mutual Agreement Procedures (MAPs).

The DIAN recognized that strengthening its international taxation teams is essential to consolidating its position as a modern, innovative tax administration capable of addressing the challenges posed by the current global environment. Accordingly, through the CIAT–SECO program, it directed its efforts toward building technical capacities that would not only enhance tax effectiveness but also strengthen the confidence of the business community. Over the course of the program's two-year implementation period, DIAN significantly strengthened its technical capacity in international taxation through an ambitious training program delivered with the support of key international partners. This unprecedented capacity-building effort in the institution's history enabled a substantial number of officials to acquire advanced knowledge and tools to effectively address the challenges of the evolving international tax landscape.

The project was also embedded within DIAN's broader knowledge management strategy, which emphasizes the continuous training of its staff as a cornerstone of its institutional transformation.

Achievements

The project achieved meaningful results that comprehensively strengthened DIAN's management of international taxation. Among the most notable achievements is the development of technical and regulatory tools that now serve as key inputs for institutional work, including:

- *Guidance and Operational Frameworks:* a document providing recommendations on the structure and content of a Transfer Pricing Audit Manual (2025), and a document containing recommendations to support the potential development by DIAN of a Guide on Intra-Group Services and Cost Contribution Arrangements (2024).

- *Dispute Resolution:* several technical documents on Mutual Agreement Procedures (MAPs) and Advance Pricing Agreements (APAs) developed in 2024.
- *Strengthening the legal framework:* a document containing a proposal to improve the regulatory framework governing permanent establishments, approved in September 2024.
- *Risk Management Strengthening:* The Transfer Pricing Risk Model developed in 2024.

This set of instruments has contributed to the standardization of processes, the strengthening of technical criteria, and greater consistency in audit practices.

In parallel, the project strengthened DIAN's technical capacities, with a 30% increase in the number of trained officials, including audit, legal, and economic analysis teams. This capacity-building process has directly improved the quality of administrative acts, reflected in an estimated 15% reduction in formal errors in transfer pricing-related actions, thereby enhancing legal certainty and the technical robustness of decisions taken by the administration.

In the area of international dispute management, progress was made in resolving complex cases through the completion of two Mutual Agreement Procedures (MAPs)—with a third nearing completion—the conclusion of one Advance Pricing Agreement (APA), and the review of another ongoing case. In addition, a proposal was developed to amend Resolution 85 of 2020, which governs the MAP procedure in Colombia, with the aim of aligning it with international standards and facilitating more efficient negotiations with other competent authorities.

Finally, the project also generated tangible economic impacts. The application of new technical and methodological approaches led to an estimated revenue increase of USD 496,7 million between 2023 and 2024, resulting from international audits and adjustments derived from transfer pricing reviews. These results confirm that the technical strengthening driven by the project not only enhances institutional capacity but also delivers concrete benefits for tax administration and the country.

Sustainability

The sustainability of the project is grounded in the institutionalization of the knowledge acquired, through various mechanisms such as the development of manuals and procedures, as well as the design of staff retention strategies, among others. In addition, the DIAN has adopted an internal replication model whereby trained officials transfer their knowledge to other staff, generating a multiplier effect of the actions implemented under the CIAT–SECO Program.

Furthermore, as a key pillar of this organizational learning process, the DIAN Training School has incorporated project-related content into its regular training offer through its continuous professional development programs.

The technical tools developed, such as the transfer pricing guidelines and audit manuals, have been progressively integrated into audit processes and the resolution of tax disputes.

The administration has also committed to maintaining its leadership in technical updates in the field of international taxation, ensuring that the knowledge generated under the CIAT–SECO Program serves as a foundation for future phases of cooperation with CIAT, SECO, and/or other organizations. Through this approach, knowledge is preserved and continuous improvement in management is promoted.

Project: Analysis for the Application of Business Intelligence, Big Data, and Graph Analytics Methodologies (Graphs)

Context in which the project was conducted

The Analysis for the Application of Business Intelligence, Big Data, and Graph Analytics Methodologies project was an initiative promoted by the DIAN within the framework of the CIAT–SECO Program, aimed at modernizing its case selection processes for audits. DIAN identified the need to incorporate advanced data analytics techniques to detect complex patterns of tax evasion and fraud that cannot be identified using traditional models.

This project was conducted in the context of DIAN's broader digital transformation strategy, which seeks to foster a culture based on data analytics, artificial intelligence, and the use of complex networks to enhance the efficiency of tax control.

The technical assistance enabled an assessment of the feasibility of adopting Business Intelligence, Big Data, and graph analytics techniques, establishing a roadmap for their gradual implementation. This analysis responds to the need to optimize resource allocation, better target audit efforts, and strengthen the fight against tax evasion, thereby contributing to the achievement of DIAN's Strategic Plan objectives and its transition towards a more intelligent and predictive tax administration.

Achievements

The impact of this consultancy was immediate. Following an assessment of the existing data infrastructure and control processes, the technical team developed an analytical methodology based on complex networks, which enabled the detection of coordinated fraud schemes and the generation of predictive risk models.

Building on this experience, DIAN has designed several tax control programs integrating the methodologies explored during the project. In 2022, two flagship programs were implemented: the first focused on addressing sector-based tax fraud structures through complex network analysis; and the second targeted Value Added Tax (VAT) control based on electronic invoicing. The latter aimed to support the detection of underreporting and inaccuracies in VAT declarations by segmenting and targeting taxpayers with atypical behaviors, cross-referencing tax return data with information derived from electronic invoices.

In 2023, three additional control programs were launched, focusing on the monitoring of invoicing obligations, taxpayers failing to comply with wealth tax obligations, and large taxpayers in the textile sector. These programs yielded measurable results: COP 13,430 million from electronic invoicing controls, COP 4,616 million from programs targeting non-compliant taxpayers of the wealth tax, and COP 61 million from control actions in the textile sector.

With the support of CIAT, the project was aligned with DIAN's digital transformation and data analytics strategy under its Institutional Strategic Plan, consolidating the foundations of a tax control system grounded in empirical evidence and predictive analysis.

During the 2024–2025 phase, DIAN continued to apply these tools to develop two additional programs: the Comprehensive International Taxation Program and the Comprehensive VAT Control Program based on electronic invoicing, both currently under implementation. All these achievements demonstrate that the adoption of Big Data and graph analytics techniques has strengthened analytical capacity and improved the effectiveness of tax control. Results will be assessed upon completion of these programs. Pilot tests were also conducted by analyzing networks of Government contractors and Ecopetrol contractors. All these achievements demonstrate that the adoption of Big Data and graph analytics techniques strengthened analytical capacity and improved the effectiveness of tax control. The final results will be measured once the implementation of these programs is completed.

Sustainability

The sustainability of this project is ensured through the institutionalization of advanced analytics techniques within DIAN's operational and strategic framework. The methodologies developed have been incorporated into the institution's Strategic Plan and into key planning instruments such as the Institutional Roadmap and the Action Plan against Tax Evasion and Smuggling. In addition, a permanent data analytics unit was established within DIAN's Risk Management Sub-Directorate, ensuring the technical sustainability of the tools implemented and their progressive integration into national control plans.

Furthermore, the institution strengthened its technical team through the recruitment of professionals with expertise in data engineering, statistics, and network modeling, thereby ensuring the continuity of knowledge and its long-term application. The results achieved demonstrate that the combination of technology, human capital, and a strategic approach have positioned DIAN as a regional benchmark in the use of Business Intelligence and Big Data tools for tax control.

Building on this solid foundation, the efforts initiated with the support of the CIAT–SECO Program continue to generate results in tax administration and enhance the administration's ability to anticipate risk behaviors, optimize resource allocation, and ensure a more fair and efficient tax system.

Perspectives from the Key Players

Scan this QR code to watch the video.

Eduardo Llinás Chica

Former Director General of the DIAN

"Today we are wrapping up our capacity-building program on international taxation, an enriching experience that included the participation of experts from the Spanish Tax Administration.

For two years, we received bimonthly visits from specialists who shared their knowledge and analyzed real-world cases with us, thanks to the support of CIAT and funding from the SECO Project.

Although the DIAN already had a high level of expertise, this project allowed us to scale up our capabilities to manage complex transactions and make progress in areas such as advance pricing agreements.

For those of us who participated in the 12 sessions of this technical assistance, it was an unforgettable experience that strengthened us both professionally and personally".

Jesús Emilio Tobón Villa

Head of Program Coordination

"The Big Data and network analysis project, developed as part of the CIAT–SECO program, made it possible to modernize the selection of audit cases and strengthen the fight against tax evasion.

Innovative programs based on electronic invoicing, CRS, and FATCA were implemented, resulting in greater effectiveness in taxpayer selection and increased reliability in the use of microdata.

Sustainability is ensured by incorporating it into the DIAN's strategic plans and by training specialized talent, with support from international cooperation".

3.4 Guatemala

The Superintendency of Tax Administration (SAT) has focused on modernizing the management of enforced collection.

CIAT delegation with the Superintendent of Guatemala's SAT, Mr. Werner Ovalle Ramírez, during the institutional visit in July 2025.

Project: Modernization of Collection Processes: Information System for Enforced Collection Management

Context in which the project was conducted

In 2022, the Superintendence of Tax Administration (SAT) faced structural challenges in its collection processes, particularly related to the need to unify and standardize operational actions. This situation affected the overall effectiveness of the process, resulting in inefficiencies clearly identified by the SAT itself.

Content

In this context, and to address part of these challenges, it was proposed to develop an IT system to centralize and monitor enforced collection management, using performance indicators focused on evaluating operational efficiency, with the ultimate objective of supporting informed decision-making.

Achievements

With the support of the CIAT–SECO Cooperation Program, the SAT has optimized enforced collection management through the development and implementation of a new IT system. This system enables the generation of efficiency indicators, the management of debt portfolios, the activation of early alerts in cases of delays, and the reduction of high administrative-cost activities.

According to the SAT's Legal Affairs Division, "… the implementation of this system has helped close operational gaps, improve efficiency in debt recovery, and establish robust evaluation and control mechanisms in collection management…." Specifically, according to SAT data, the number of cases processed increased by 80%, demonstrating a substantial improvement in the institution's operational capacity. In addition, the capacity to access digitized documents increased fivefold, enhancing information accessibility and improving portfolio management.

Furthermore, a 10% increase in debt recovery was achieved, reflecting greater effectiveness in this complex function. From a facilitation perspective, the implementation of a single-entry point per case has simplified procedures, reducing unnecessary steps for both new and reactivated cases, thereby improving institutional efficiency.

Sustainability

The sustainability of the project is supported by the SAT's Annual Operational Plan and its 2026–2030 Institutional Strategic Plan. The IT Department will be responsible for completing the second phase of the project, as well as for system maintenance, technical support, and updates. Meanwhile, the Legal Affairs Division will oversee its regulatory and operational implementation. This governance model ensures the system's functional and technical continuity over the medium and long term.

It is worth noting that the SAT has established a continuous improvement policy for its Legal Case Management System, which includes the annual planning of actions aimed at optimizing system functionalities, as well as the execution of monthly support and adjustment activities. These actions involve the resolution of incidents, the redesign of processes, and the incorporation of new data analytics tools to strengthen control capabilities.

In this way, the system not only remains operational but also evolves in line with institutional needs, ensuring its sustainability and a lasting impact on collection management.

Perspectives from the Key Players

Scan this QR code to watch the video.

Guisela María Viana Vidal

Legal and Administrative Manager at SAT

"The CIAT–SECO Program's involvement has been crucial in structurally transforming the tax collection process by SAT. Previously, operations were conducted in a fragmented manner and without standardized processes, which hindered efficiency and control. Thanks to the technical support we received, we were able to develop and implement a robust computer system that allows us to manage tasks, identify delinquencies early on, and evaluate the efficiency of our operations.

These advances have led to concrete results: an 80% increase in the number of cases processed, a 10% increase in debt collection, and a 400% improvement in the ability to view digitized documents. In addition, the modernization process has been accelerated by one year, optimizing processing times, reducing manual errors, and strengthening the traceability of actions.

The continuation of the project, led by the IT Department and the Office of Legal Affairs, has fostered a culture of innovation and the strategic use of technology, enabling more timely decisions and more efficient portfolio management.

The implementation of technological solutions at the SAT has led to significant operational improvements, particularly in reducing processing times and minimizing errors resulting from manual processes. This modernization has not only ensured data traceability and protection but has also optimized collaboration among different work teams, fostering a more collaborative and efficient management approach.

"In addition, access to real-time data has strengthened the organization's capacity to make timely, evidence-based decisions. This entire process has helped foster a culture of innovation, which is key to the sustainability of technological change within the organization".

Scan this QR code to watch the video.

Mishelle Marie Cerezo Quiñónez

Legal Proceedings Officer

"The impact of the CIAT-SECO Programme is reflected in tangible results. We increased by 80% the number of cases handled by the Legal Affairs Division and achieved a 10% increase in the collection of debts processed by this unit. In addition, thanks to the support of the Programme's consultants, we were able to accelerate the modernization process by an entire year. We also quadrupled our capacity to view digitized documents, strengthening portfolio management and making the filing and processing of legal cases more efficient. All of these achievements can be verified through the Legal Case Management System".

Scan this QR code to watch the video.

Luis Jorge Gaitán Lorenzo

Legal Affairs Technician

"Having this debt collection information system has helped us close operational gaps, improve the efficiency of debt recovery, and establish robust mechanisms for monitoring and evaluating debt collection management".

3.5 Honduras

Honduras's Revenue Administration Service (SAR) focused its efforts on developing an electronic invoicing system and strengthened its capabilities regarding international double taxation agreements.

Director of Technical Assistance and Innovation at CIAT and former Director of the Revenue Administration Service (SAR) (August 2025), Ms. Rosa Mariana Ríos Munguía.

Project: **Electronic Tax Documents**

Context in which the project was conducted

In 2023, with strong backing from the highest levels of the Executive Branch, the Revenue Administration Service (SAR) decided to move forward with the development of the Electronic Tax Documents (ETD) regime. This decision responded to the need to modernize the country's invoicing system to promote voluntary compliance through enhanced controls and more efficient taxpayer services. The initiative was fully aligned with SAR's strategic objectives, which focus on simplifying procedures, strengthening fiscal transparency, and advancing toward the automation of control processes.

At the outset of the project, the country faced significant limitations in tracking transactions and lacked an integrated platform capable of automatically validating them. The previous model created multiple opportunities for tax evasion that were difficult to address without a modern, interoperable, and secure electronic invoicing system.

In this context, the CIAT–SECO II Cooperation Program provided technical assistance based on international best practices, supporting SAR in the conceptual design and in defining the roadmap for the implementation of the electronic invoicing system. As a result of this work, SAR now has the essential elements—technological, operational, and institutional design—to launch the ETD regime. However, its effective implementation still depends on the approval of the necessary legal reforms to provide an appropriate regulatory framework.

Achievements

The conceptual design and national pilot of the Electronic Tax Documents system were developed and approved, establishing the technical and regulatory foundation upon which the country can build its electronic invoicing regime. As a result, SAR now has a validated operational model, standardized formats (based on JSON), a set of validation rules, and a defined technological architecture for the receipt and processing of digital fiscal documents. In addition, specific strategies were developed to ensure the inclusion of MSMEs once the new regime is implemented, thereby promoting the participation of all economic sectors.

As a result of this technical cooperation, SAR is now prepared to implement an electronic invoicing system in a phased manner. The main tools and capacities developed include:

- A comprehensive roadmap for the implementation of the electronic invoicing system.
- A regulatory, technical, and budgetary diagnostic.
- An interdepartmental coordination mechanism within SAR, involving primarily the legal, technological, and operational areas.

Sustainability

SAR has taken concrete steps to ensure the sustainability of the efforts undertaken and to shorten implementation timelines once the regulatory framework is adopted:

- This initiative has been established as a strategic institutional priority.
- SAR continues to refine the technical design of the electronic document system to define infrastructure

requirements and assess necessary adjustments to internal operational procedures.

- Ongoing training is being provided to the teams responsible for operating and maintaining the system once implemented.
- Additional financial resources and technical support are being mobilized for the next phase, which includes the initial implementation of a pilot in a controlled environment, followed by broader rollout.

Project: Strengthening Capacity in International Taxation and Double Taxation Agreements

Context in which the project was conducted

In 2023, the Government of Honduras promoted discussions on the Tax Justice Law, which included a transition from a territorial tax system to a worldwide income system. This shift aimed to prevent profit shifting to low- or no-tax jurisdictions, particularly by large corporations, but also introduced significant challenges for tax administration. In particular, the innovative approach could increase the risk of double taxation for taxpayers with foreign-sourced income, requiring the country to strengthen its international legal instruments and technical capacity to negotiate and apply tax treaties.

In this context, the SAR identified the need to strengthen its staff's competencies in international taxation and double taxation agreements. To this end, it requested support from CIAT—through cooperation with SECO and in coordination with UNDP—to provide conceptual guidance for the design of its international tax policy and to advance the development of a model tax treaty aligned with the country's economic and legal context. The project was thus implemented at a critical moment of fiscal reform and institutional strengthening, aimed at responding to the demands of a more modern, fair, and internationally consistent tax system.

Achievements

Despite its short duration and the temporary suspension of one of its phases, the project achieved important progress in strengthening SAR's technical capacities in international taxation. The main outcome was the delivery of technical assistance that enabled the identification of the key elements of Honduras's international tax policy, both those already reflected in domestic legislation and those expected to be incorporated under the new Tax Justice Law. This work provided the SAR team with a clearer understanding of the challenges and opportunities associated with a worldwide income system.

Among the most relevant achievements is the full drafting of Honduras's Model Double Taxation Agreement, which constitutes a strategic input for future international negotiations and is aligned with the country's fiscal needs and its objective of promoting a fair and equitable tax system. In addition, the groundwork was laid for a second phase focused on treaty negotiations, pending scheduling by the SAR.

Sustainability

The project establishes a solid foundation for sustainability through the strengthening of internal capacities and the availability of a Model Agreement that will guide both technical processes and public policy decisions. The technical assistance provided has equipped SAR with updated criteria and a structured framework to approach international taxation in a manner consistent with global standards and national tax policy priorities.

The continuation of the project depends directly on the reactivation of the second phase, which will focus on capacity building and support for treaty negotiations. Once resumed, it will consolidate the progress achieved, equip SAR with practical tools, and ensure that the knowledge acquired is translated into effective agreements that mitigate the risks of double taxation without compromising revenue. The collaboration with UNDP and CIAT also ensures a sustained platform for technical support that can accompany the country beyond the initial project period.

Perspectives from the Key Players

Scan this QR code to watch the video.

Otto Perdomo
Electronic Invoicing Project Leader
IT Expert – National Directorate of Strategic Management, SAR

"One of the main lessons I have learned from this project is that nationwide technological transformations are not built solely on infrastructure and software. They require institutional leadership, an appropriate regulatory framework, clearly defined processes, ongoing communication, and, above all, committed teams that understand the significance of the change they are driving. Coordination among the different areas of the SAR has been essential in turning a strategic vision into a technically viable and operationally sustainable model.

As the project leader, I am convinced that we are building a solution that will mark a turning point in Honduran tax administration. We still have important stages to complete, but today we have a solid foundation, a clearly defined roadmap, and a multidisciplinary team committed to its implementation.

Electronic invoicing will enable the SAR to evolve into a more modern, preventive, intelligent, and service-oriented tax administration. Our commitment is to implement a secure, reliable, and accessible platform that delivers tangible benefits to taxpayers and provides the State with better tools to safeguard public revenue. Being part of this process is a source of pride, but it is also a responsibility to the institution and to the future of Honduras".

3.6 Peru

SUNAT prioritizes tax compliance risk management for multinational companies and high-net-worth individuals to strengthen tax equity and efficiency in Peru.

The CIAT Delegation with the Representative of the SECO Office in Peru and the National Intendant of Strategies and Risks of SUNAT during the institutional visit in August 2025.

Project: Assessment and Improvement of Compliance Risk Management and Tax Regulations Applicable to Individuals in Peru, to Increase the Tax Burden on High-Net-Worth Individuals

Context in which the project was conducted

One of SUNAT's main challenges in compliance risk management is overseeing the high-net-worth segment—a group characterized by complex economic structures, a high capacity for tax planning, and significant tax revenue potential. The scale of their operations and their access to specialized advisory services require the tax administration to have more robust strategies, accurate information, and a sophisticated risk model that enables it to anticipate and mitigate tax evasion and avoidance practices.

With technical support from the CIAT–SECO Program, a comprehensive assessment of SUNAT's risk management model was conducted. This analysis identified significant progress in the use of information sources and coverage strategies, and identified opportunities to consolidate the model and improve the identification of risks associated with high-income and high-net-worth individuals, thereby strengthening analytical capacity and the use of available data.

Based on these recommendations, SUNAT incorporated a specific strategic agenda for the oversight of large estates into its Compliance Improvement Program. This led to a second phase of technical assistance, aimed at refining controls over foreign-source income—a key area under Peru's worldwide income principle.

The technical assistance promoted a comprehensive approach that combines regulatory improvements, expanded international information exchange, preventive controls, and the intensive use of data analytics. In this way, the groundwork is laid to close compliance gaps, strengthen tax transparency, and prepare SUNAT to face the challenges of contemporary global taxation.

Achievements

Support from the CIAT–SECO Program has accelerated the transformation that SUNAT had been leading, which involves gradually adopting a risk-based management approach. In this case, that approach was extended to the management of high-net-worth individuals. This strategic effort has resulted in real, measurable, and sustainable improvements, which today position the agency as a leader in the modernization of tax enforcement.

Thanks to the support of the CIAT–SECO Program, by June 2025 SUNAT had recorded an increase of approximately 25% in the number of tax returns filed by individuals of fiscal interest. This positive trend was also reflected in the amount of reported income, which rose by 31%, as well as in the amount of reported tax liability, which increased by 52.

The improvement in voluntary compliance was also evident in the payments made, which increased by 55%—from S/ 301 million to S/ 467 million. In particular, among taxpayers subject to the Common Reporting Standard (CRS), there was exceptional growth of 81%, rising from S/ 182 million to S/ 330 million.

This performance is complemented by a significant achievement in revenue collection from individual income tax regularization, which exceeded S/ 934 million and marked a 39.7% increase compared to the previous period. For SUNAT, these advances demonstrate the impact of the preventive approach adopted and the importance of proactive, personalized assistance to taxpayers, which has helped create a virtuous cycle of continuous improvement.

Alongside these results, the project made progress in developing proposals for structural measures. Among these were the addition of new criteria for registration with the Taxpayer Identification Number (TIN), the requirement to include asset information in the income tax return, the strengthening of specialized tax audits, and the creation of the High-Net-Worth Individuals Unit. SUNAT also highlighted the Program's impact on the latest update to the Catalog of High Fiscal Risk Schemes and the development of the High-Net-Worth Individuals Compliance Improvement Plan, which reinforce a strategic medium-and long- term vision.

Taken together, these advances reflect a solid and consistent institutional effort focused on improving transparency, strengthening voluntary compliance, and ensuring tax administration that is aligned with the challenges of the global environment.

Sustainability

The sustainability of these results is reflected in SUNAT's implementation of a Compliance Improvement Plan that integrates operational measures (such as assistance, audits, and preventive campaigns) with strategic measures aimed at strengthening registration, filing, and reporting obligations for this segment of taxpayers.

Referring to the Program's collaboration, the Superintendent noted that "access to international experiences and the adaptation of best practices have made it possible to significantly shorten the learning curve," thereby strengthening the Peruvian Tax Administration's responsiveness.

Thanks to this coordinated effort, the achievements made are not only preserved but also carried forward into the future, expanding their impact and adapting swiftly to emerging challenges in the national and international tax environment. In doing so, SUNAT reaffirms its leadership in the region and its commitment to a modern, efficient tax administration aligned with the highest standards of international cooperation.

Project: **Design and implement rules for the early disclosure of tax planning, using Action 12 of the BEPS Project and international experience as a reference and starting point**

Context in which the project was conducted

In recent years, SUNAT has faced an increasingly demanding environment, marked by the need to strengthen transparency and control over aggressive tax planning. In a dynamic economic context, with increasingly sophisticated tax avoidance mechanisms, the institution reaffirmed its commitment to strengthening its regulatory and technical framework to anticipate compliance risks, thereby promoting a more fair, efficient, and internationally aligned tax system.

Within the framework of the CIAT–SECO Program, technical assistance was provided to support the implementation of Actions 12 and 8 of the OECD BEPS Action Plan, focusing respectively on the disclosure of tax planning arrangements and the control of transfer pricing related to intangibles. The selection of this topic responded to the need to strengthen institutional capacities to identify, analyze, and prevent avoidance practices, as well as to reinforce internal processes related to audit, risk management, and international cooperation, as well as advancing the implementation of international standards and the adoption of recommendations from international organizations, such as the OECD, on tax transparency and compliance.

The project enabled SUNAT to move towards a more transparent, efficient, and internationally aligned tax system.

Achievements

One of the most significant achievements of this support was the development of a proposal for implementing a mandatory disclosure regime for tax planning arrangements, inspired by Action 12 of the BEPS Action Plan, including both its legislative framework and technical rationale. The proposal seeks to align Peru's tax system with international transparency standards by strengthening its capacity to prevent and detect tax avoidance practices while promoting a culture of responsible tax compliance.

The initiative also provided an opportunity, within the framework of tax transparency and the prevention of tax non-compliance, for SUNAT to receive feedback from the consultants on Version 3.0 of the Catalogue of High Fiscal Risk Schemes. Their recommendations helped enrich and strengthen the document, supporting its publication as a strategic tool for identifying tax risks and promoting voluntary compliance.

At the same time, the Administration strengthened its technical capacity to review transfer pricing transactions through the development of methodological tools, analytical criteria, and proposals for regulatory improvements. As a result, between 2024 and 2025, tax adjustments totaling PEN 3,023,482 were assessed as part of the regular audit and control programme, contributing to the regularization of tax obligations and strengthening the Administration's position in disputed cases.

Knowledge sharing was also a key pillar of the Program. In coordination with the World Bank, a workshop on the effective application of General Anti-Avoidance Rules (GAAR) was conducted, bringing together representatives from twelve tax administrations in Latin America and producing a comparative study on anti-avoidance best practices.

Additionally, the project strengthened the technical capacities of SUNAT's staff: 53 specialized officials enhanced their expertise in international taxation, risk management, and transfer pricing, incorporating updated methodologies based on OECD–UN standards. This capacity building is reflected in the adoption of new analytical routines and greater consistency in the interpretation of international transactions. The methodologies, analytical templates, and criteria developed have become permanent inputs for audits, risk management, and regulatory development within the institution.

Taken together, these advances represent a qualitative leap in SUNAT's ability to anticipate risks, audit complex international transactions, and reduce opportunities for aggressive tax planning, thereby consolidating a preventive control model aligned with international best practices.

Sustainability

The sustainability of the project linked to BEPS Action 12 and Action 8 reflects SUNAT's institutional vision to consolidate and sustain over time the progress achieved through the CIAT–SECO Program. Rather than a one-off initiative, its results have been integrated into the Compliance Improvement Program, ensuring the continuous updating of the methodologies and tools developed. In this way, the achievements are transformed into sustainable capabilities that strengthen both operational and analytical management within the tax administration.

Following the conclusion of the consultancy phase, SUNAT is promoting new cooperation mechanisms with tax administrations worldwide, reaffirming its commitment to a more fair, efficient, and internationally aligned tax system. In this context, a comprehensive program is currently under development to implement regulations consistent with OECD standards, consolidating Peru's leadership in the global agenda against base erosion and profit shifting.

Through these actions, SUNAT is strengthening a modern, transparent, and sustainable tax administration model, capable of responding with agility to emerging challenges in international taxation and enhancing trust among the tax administration, taxpayers, and the international community.

Perspectives from the Key Players

Scan this QR code to watch the video.

Marilú Llerena Aybar

Former SUNAT Superintendent (2025)

“SUNAT considers the management of tax risks for multinational companies and high-net-worth individuals to be strategic in a context of increasing globalization.

With the support of the CIAT–SECO Program, a course of action based on international best practices was defined, leading to concrete progress such as the publication of the Catalog of High Fiscal Risk Schemes, the incorporation of new criteria for registration in the RUC, the formulation of the 2024–2027 Compliance Improvement Plan, and the formation of a specialized audit team.

In 2025, revenue from the regularization of individual income tax grew by 39,7%, thanks to preventive campaigns targeting taxpayers of fiscal interest.

The program also yielded key lessons, including the importance of international cooperation, cross-functional team participation, and the need to consolidate progress with adequate resources and implementation and evaluation strategies. SUNAT thanks CIAT and Swiss Cooperation –SECO for their contribution to institutional strengthening”.

3.7 Suriname

Suriname focused on conducting a preliminary training session and its first TADAT assessment with international technical support from CIAT–SECO.

CIAT Consultant for the TADAT training of Belastingdienst staff in Suriname.

Project: TADAT Training and Assessment

Context in which the project was conducted

At the outset of the project, the Suriname Tax Administration was undergoing a process of digital modernization, centralizing the management and collection of three taxes within a new technological system (MTS): Value Added Tax (VAT), payroll tax, and income tax. At the same time, taxpayer service channels—telephone calls and emails—were being consolidated into a single department to improve both taxpayer service and the internal handling of inquiries. In parallel, the need was identified to enhance revenue collection through a combination of improved taxpayer service and increased voluntary compliance.

While the organization had committed human resources, it faced limitations in terms of capacity and resources at that time. As a result, the Tax Administration identified as a priority the need to assess opportunities for improvement through a comprehensive evaluation of its performance using the TADAT framework. The results of this assessment served as a key input for the development and implementation of its strategic plan, as well as for improving the efficiency and effectiveness of its processes. The decision to apply the TADAT methodology was driven by the need to rely on a robust, evaluated, and internationally recognized tool.

The project was coordinated by the CIAT–SECO Program and the TADAT Secretariat, in collaboration with experts from the IMF and the IDB.

Achievements

Throughout the implementation of the project, the Tax Administration's activities and processes were systematically assessed against international standards and principles of good governance. The resulting TADAT assessment report was used as a central guide for reforming the institution's plans and activities, both at the organizational level and in the development of staff capacities, by identifying strengths, weaknesses, and areas for improvement. This analysis included significant efforts to enhance data collection and availability, organizing existing information and establishing a baseline for more accurate decision-making and performance measurement.

Among the concrete results are the preparation of the TADAT report, which contributes to strengthening transparency and process traceability, as well as the development of staff technical capacities. Through workshops and working sessions, training was provided to officials at various levels, including capacity building in auditing and training in IT tools. Participating teams became familiar with methodologies, indicators, and best practices applied by other tax administrations, which not only enhanced technical knowledge but also fostered internal knowledge exchange across departments and promoted a culture of continuous learning and results-oriented collaboration.

According to the Suriname Tax Administration, the project also contributed to improving internal coordination. The participation of staff from different units in diagnostic and training activities helped align expectations, clarify roles, and strengthen institutional commitment to performance improvement. Based on the Administration's own conclusions, the diagnostic has had a positive impact on how the institution conceptualizes and designs its processes, highlighting the practical value of the TADAT report as an input for advancing a broader modernization agenda.

Sustainability

To ensure the sustainability of the results achieved, the Tax Administration has begun implementing actions aimed at institutionalizing the output and knowledge generated. These include the incorporation of new procedures and tools into internal regulations, the definition of clear responsibilities for the units involved, and the integration of activities derived from the TADAT assessment into the design of annual operational plans. In this way, the work conducted moves beyond isolated initiatives and becomes systematically embedded in the institution's regular operations.

Furthermore, the Tax Administration has expressed its intention to continue strengthening staff capacities through additional internal training, the periodic updating of the tools developed, and the monitoring of indicators to measure performance in control and risk management areas. These actions are intended to ensure that the country can continue progressing autonomously, building on the foundation established during the technical assistance while maintaining opportunities for future collaboration to address more specific aspects or subsequent stages of the tax administration modernization process.

Perspectives from the Key Players

Marita Lautan-Wijnerman

Director of Taxes and Customs at Belastingdienst

“The TADAT assessment has been a key driver in Suriname’s institutional reform process. Based on its findings, the Department of Taxpayer Services was created, centralizing telephone and email support in the initial phase, which improved operational efficiency.

Staff capabilities were strengthened through training in auditing and IT tools, fostering a more robust technical culture. Significant progress was also made in improving data systems, which has enabled more accurate measurement of institutional performance.

The integration of the main taxes—VAT, payroll tax, and income tax—into the new IT system (MTS) has enabled more effective oversight and a consolidated view of tax administration. Guidelines for the registration, filing, and payment of these taxes have been disseminated and are available online.

Finally, feedback mechanisms were established with taxpayers and tax intermediaries, which have helped improve the services offered. We appreciate the international cooperation and thank the CIAT-SECO program for this opportunity”.

4. Lessons Learned from the CIAT–SECO Program: Five Years of Institutional Strengthening in Latin America and the Caribbean

For five years, the CIAT–SECO Program drove a transformation process in seven tax administrations in Latin America and the Caribbean—Belize, Bolivia, Colombia, Guatemala, Honduras, Peru, and Suriname—through technical assistance projects focused on capacity building, technological modernization, and tax risk management.

The lessons presented below reflect the collective knowledge gained throughout the Program, both in the management of cooperation and in the technical implementation of the projects.

1. Management of CIAT and the Program

One of the Program's main strengths was the flexibility of the cooperation model, which made it possible to adapt projects to national priorities and to the pace of progress of each tax administration. CIAT's support—through specialized consultants and the facilitation of technical exchanges—ensured methodological consistency without imposing uniformity.

The modular design of the technical assistance programs—with phases for diagnosis, implementation, and sustainability—promoted lasting results. In Belize, for example, projects were planned sequentially so that each achievement built on the previous one, thereby strengthening capacities and processes.

The value of ongoing dialogue between CIAT, government agencies, and SECO was also evident; this dialogue made it possible to adjust approaches and overcome challenges, especially in contexts of high institutional turnover or budgetary constraints. The cooperation was established as a learning partnership rather than a unilateral transfer arrangement.

2. Country Management and Sustainability

Experience has shown that institutional ownership of projects is a decisive factor in their sustainability. Governments that integrated the new tools and methodologies into their operational plans and organizational structures achieved more robust results.

Bolivia and Peru, for example, established permanent specialized units—in international taxation and high-net-worth risk management, respectively—DIAN while Guatemala and Honduras implemented computer systems and technical manuals that are still in use today.

Another key lesson was the importance of replicating the knowledge gained internally. In-person and virtual training sessions, accompanied by practical exercises, helped create technical teams that are now passing on what they have learned to new generations of staff. This multiplier effect is clearly evident at Colombia's DIAN, which turned international training into an institutional knowledge management strategy.

Methodology
The most valuable learning comes from solving real-world cases alongside international experts.

Appropriation
Greater sustainability through institutional leadership.

Flexibility
The cooperation took shape as a learning partnership rather than a scheme for unilateral transfer.

Technology
Digitalization drives Efficiency and Equity.

Cooperation
Peer Learning and International Collaboration.

Sustainability
The new tools and methodologies were integrated into operational plans and organizational structures.

3. Risk Management and Measurable Results

A distinctive feature of the Program that contributed to the success of several of its projects was its evidence-based approach: government agencies strengthened their information systems and developed risk matrices and dashboards that enabled more accurate decision-making.

In Bolivia, the application of risk methodologies to transfer pricing led to significant tax adjustments in the commerce, industry, and services sectors, increasing tax bases by up to 110%. Similarly, Guatemala's Superintendency of Tax Administration and Bolivia's National Tax Service achieved notable improvements in collection management through the use of digital dashboards and automated systems, reducing administrative processing times and increasing debt recovery.

These experiences demonstrate that risk management is not only a technical approach but also a cultural shift, in that it promotes the use of data to guide action and strengthens the transparency and traceability of decisions.

4. Technology and Innovation

Technological modernization was another major cross-cutting theme. The projects demonstrated that digitalization drives efficiency and equity.

In Honduras, the assistance helped design the Electronic Invoicing pilot program, a key step toward a modern administration with real-time monitoring.

Guatemala consolidated a digital case management system that quadrupled document viewing capacity and reduced processing times in its Legal Department.

In Suriname, the implementation of a new tax information system (MTS) and the centralization of taxpayer services marked the beginning of a comprehensive modernization process based on the findings of the TADAT.

These initiatives demonstrate that digital transformation requires not only technological infrastructure but also institutional leadership and ongoing training.

5. International Cooperation and Joint Learning

Cooperation with SECO and technical support from CIAT demonstrated the power of South–South and triangular collaboration. The beneficiary agencies particularly valued the opportunity to exchange experiences with peers and adapt international best practices to their national contexts.

Peru's SUNAT highlighted that the technical exchange made it possible to incorporate OECD standards and comparative practices for managing high-net-worth risk and aggressive tax planning.

Furthermore, the projects demonstrated that the most valuable learning comes from the practical resolution of real-world cases alongside international experts, fostering applicable and sustainable skills. This participatory methodology was widely recognized as one of the keys to the program's success.

6. Challenges and Future Prospects

Among the challenges identified are the need to ensure institutional continuity in the face of administrative changes and to keep pace with technological and regulatory updates in a constantly evolving tax environment.

Even so, the legacy of the CIAT–SECO Program is tangible, reflected in more technically competent, interconnected, and results-oriented administrations; better-trained teams; and a culture of cooperation that extends beyond individual projects.

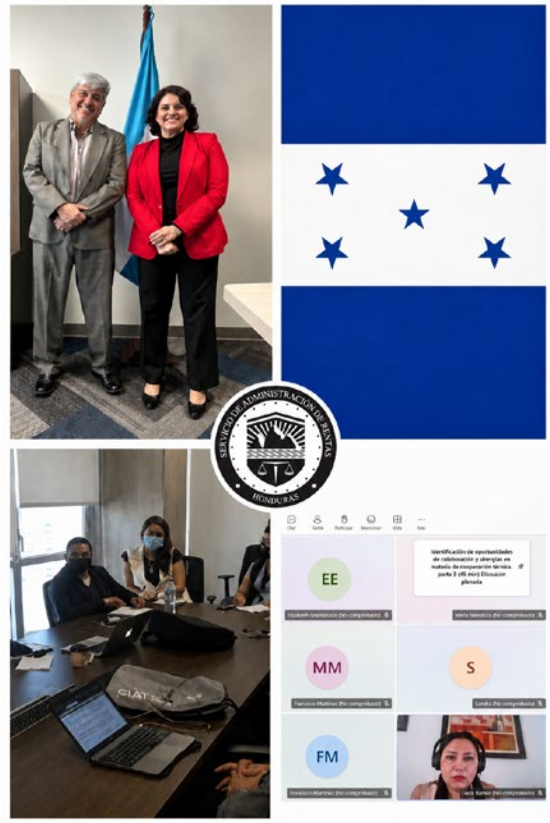
The future of international cooperation on tax matters must continue to build on this foundation: strengthening technical autonomy, promoting innovation, and maintaining the collaborative spirit that characterized this Program.

Belize

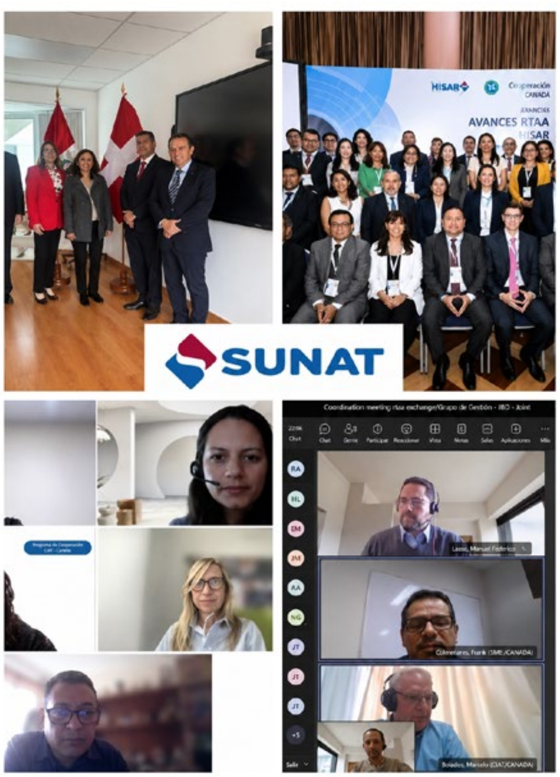
Bolivia

Colombia

Guatemala



Honduras



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