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COUNCIL

Council

IN-DEPTH EVALUATION OF THE COMMITTEE ON FISCAL AFFAIRS (CFA)

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EXECUTIVE SUMMARY

Building on its legitimacy and experience in the development of international tax standards, the Committee on Fiscal Affairs (CFA) has, over the review period, accomplished widely acknowledged successes in several of its areas of work. Furthermore, it has shown itself to be both adept and adaptable when new opportunities have arisen the most visible manifestation of this being its support for the creation of the Global Forum on Transparency and Exchange of Information for Tax Purposes (GFTEI) since the G20 call for better international tax co-operation in 2009. The Committee has also recently started responding to increasing demands for support to domestic tax policy reforms that have emerged in the aftermath of the financial and economic crisis. However, with the resulting expansion and widening of its work programme and increasing competition from other organisations, the CFA is now being faced with new challenges.

ASSESSMENT

Relevance: High to Very High

- The work programme and mandate objectives of the Committee on Fiscal Affairs are well aligned with the needs of policymakers across the wide range of policy areas falling under its responsibility. The interest of Members in the Committee's successive work programmes is also evidenced by the high and relatively stable capital-based delegate participation in the CFA and most of its sub-bodies over the review period.
- By contrast, the results of successive MTO exercises suggest that the three Output Areas for which the Committee was accountable during most of the review period is a middle-ranking priority for Members in terms of changes in Part I funding.

Efficiency: High

- The Committee has performed strongly in terms of its technical efficiency, with almost all Output Results produced since 2005 assessed as being of at least a high level of quality by Members' policymakers.
- The limited discussions in the CFA during the review of its mandate in 2008, and more generally at other times, did not allow for its various policy communities to build a strategic vision of what the Committee's mid to long-term orientation should be. The lack of in-depth strategic reflection within the Committee has been acknowledged as evidenced by several recent initiatives such as a retreat of the CFA bureau in October 2011. Furthermore, a more top-down approach to the process of developing the programme of work is now being implemented.
- The Committee is functioning well, not least thanks to a very active Bureau and a good working relationship between the most active delegates and the Secretariat, though this has sometimes been to the detriment of the involvement of the broader membership.
- Although a reorganisation of the Committee's substructure took place in 2010 in the area of exchange of tax-related information, overlaps remain in the work of some sub-bodies. This raises the question of further possible restructuring in related areas of work such as harmful tax

practices. Duplication was also found in areas requiring good connections between the policy and administrative aspects of international taxation, due in great part to the low degree of interaction between the FTA and other parts of the Committee, including the CFA itself.

- The Committee has been very active and something of a pioneer in the way in which it engages with non-Members, most recently through the creation of the Part II Global Forum on Transparency and Exchange of Information for Tax Purposes (GFTEI). Another recent evolution is the implementation of a more inclusive and demand-driven approach to global relations, going beyond support for the global adoption of the OECD standards to include country-specific support to non-Members and consultations with them when developing instruments. However, the role of the Board for Co-operation with Non-OECD Economies (BCNOE), which has developed significantly beyond its current mandate toward more high-level co-ordination of the Committee's global relation activities, remains unclear, as does what it adds to the decision making capabilities of the CFA itself.
- Already pervasive by nature, tax-related issues have required, in the current context, even more horizontal work between the Committee and a range of other OECD bodies. The Committee has actively responded to these growing demands, which has resulted in an increasing workload in particular for Working Party N°2 on Tax Policy Analysis and Tax Statistics.
- Although the CFA collaborates closely with several other regional and international organisations involved in tax-related issues, recent evolutions in the area of relations with non-Members have increased the risk of duplication, in particular in the case of the IMF and the UN Committee of Experts on International Cooperation in Tax Matters.
- The Working Parties' numerous interactions with BIAC have greatly benefited the Committee's work. However, at the level of the CFA, relationships with the business community are very limited. Beyond the Task Force on Tax and Development, the Committee has no direct relationship with other stakeholder representatives (i.e. TUAC and NGOs) despite the growing interest within civil society in tax policy issues, in the aftermath of the financial and economic crisis.

Effectiveness: Very High

- All the Committee's product groups, and in particular its core instruments, have had a significant and long lasting impact in the field of international taxation and, increasingly, in support of Members' and non-Members' domestic tax policy reforms.

RECOMMENDATIONS

Recommendation N°1: The CFA should develop its capacity to provide clear mid to long-term policy directions to help orient the work of the Committee as a whole.

Recommendation N°2: The CFA should examine how to reduce any unnecessary duplication between the tax administration and tax policy dimensions of its work programme, including through a possible CFA-FTA annual joint-session.

Recommendation N°3: The CFA should review how the Committee's relations and activities with non-Members currently implemented under the responsibility of the BCNOE, are directed with a view to providing them with more strategic steering and broadening the involvement of delegates in decision making in this area.

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Recommendation N°4: The CFA should strengthen its relations with other international organisations in order to avoid overlaps and duplication, in particular in the area of relations with non-Members.

Recommendation N°5: The CFA should provide the opportunity for the institutional social partners and other stakeholders to make contributions at all levels of the Committee, including in policymaking discussions.

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1. The Committee on Fiscal Affairs

1. The CFA is a Level I committee created in 1971. The duration of its current mandate is until the end of 2013. Until 2010, the substructure of the Committee¹ was composed of the following Level II sub-bodies:

- reporting uniquely to CFA
 - Board for Co-operation with Non-OECD Economies (created 2001);
 - Working Party N°1 on Tax Conventions and Related Questions (created 1971);
 - Working Party N°2 on Tax Policy Analysis and Tax Statistics (created 1971);
 - Working Party N°6 on the Taxation of Multinational Enterprises (created 1973);
 - Working Party N°8 on Tax Avoidance and Evasion (created 1977);
 - Working Party N°9 on Consumption Taxes (created 1998);
 - Forum on Harmful Tax Practices (created 1998);
 - Forum on Tax Administration (created 2005);
- reporting jointly to the CFA and the Environment Policy Committee (EPOC)
 - Joint Meetings of Tax and Environment Experts (created in 2001) bringing together experts from EPOC's Working Party on National Environmental Policy (now was recently renamed the Working Party on Integrating Environmental and Economic Policies), and the CFA's Working Party n°2 on Tax Policy Analysis and Tax Statistics.

2. In September 2010, as part of a reorganisation of the areas of tax information exchange and fight against tax crime, Working Party N°8 on Tax Avoidance and Evasion was replaced by a new Level II sub-body, the *Working Party N°10 on Exchange of Information and Tax Compliance*; the former WP8 Level III Sub-Group on Tax Crimes and Money Laundering was transformed into a new Level II body, the Task Force on Tax Crimes and Other Crimes (TCML), whose mandate was extended to also include the activities of the former WP8 in the area of tax measures to counter bribery.

3. For most of the review period, the Committee implemented its work programme within Output Areas 3.3.1 (Tax policies and international standards), 3.3.2 (International tax cooperation) and 4.3.3 (Tax administration). Since the PWB 2009-10, the work of the CFA has been consolidated into Output Area 3.3.1 (Taxation).

4. Key elements of the policy context for the work of the CFA, as derived from the PWBs of 2005-06, 2007-08 and 2009-10, and for the most part unchanged in PWB 2011-12, are as follows:

- Output Area 3.3.1 – Tax policies and international standards:
 - globalisation is increasingly challenging the balance between public support to open international trade through the removal of any tax obstacles and the use of taxes for funding better and more effective public services and infrastructure, which also condition economic growth;

1. By convention, references to the CFA made in this report concern the substantive committee, i.e. the body that reports directly to Council. References to the Committee should be understood as meaning the substantive committee and the bodies within its substructure.

- national tax policies and international rules and standards need to adapt to fast changing business structures, which frequently lead to complex distribution of activities and resources within new world-wide supply chain models;
 - rapid growth and internationalisation of several non-Members and enhanced engagement countries has increased the risks of double taxation and other taxation disputes, which creates uncertainty for businesses and therefore hampers economic growth in both OECD and non-OECD economies;
 - tax reform has become an on-going process and within this environment it will become increasingly important to ensure that tax systems remain competitive and do not develop into obstacles to international trade in both goods and services.
- Output Area 3.3.2 – International tax co-operation:
 - Rapid advances in information technology combined with the liberalisation and integration of financial markets, as well as the persistence of tax havens, facilitate cross-border tax evasion and create opportunities for more complex aggressive tax planning schemes, including VAT fraud. These challenges jeopardise both the neutrality of the tax system and the financing of public services;
 - Financial crimes such as money laundering and terrorist financing, share some techniques and networks with tax crimes. International exchange and cooperation must therefore be supported between the efforts to combat these related illicit activities.
 - Output Area 4.3.3 – Tax administration:
 - Tax administrations increasingly face pressures in a context characterised by significant compliance issues and crisis and post-crisis limitations of resources while having to respond to growing expectations for more effective and efficient public services, notably taking advantage of progress in information technology.

5. The secretariat of CFA is situated within the Centre for Tax Policy and Administration Directorate (CTP).

2. Evaluation methodology and approach

6. This In-depth Evaluation was conducted between January and November 2011. The Terms of Reference of the evaluation and the draft version of the report were discussed in meetings of the Evaluation Committee in which the Bureau of the CFA and the Secretariat were represented.²

7. The scope of this evaluation is the CFA and its substructure of working parties. It focuses on the orientation of the Committee, its functioning and the Output Results for which it is accountable, as well as the policy use and impacts resulting from them. It covers the period as of 2004 to 2011 with regard to the functioning of the Committee, and 2005 to 2010 in the case of the impacts of its work.

8. The Committee was evaluated with respect to the following evaluation criteria:³

- **relevance**, i.e. whether the Committee is addressing the policy needs of Members⁴ and if it is likely to continue to do so in the medium term;

2. The meeting to validate the Terms of Reference took place on 24 January 2011. The meeting to validate the draft final report was held on 23 January 2012.

3. For each evaluation criterion, the Committee can be rated as *very low*, *low*, *medium*, *high* or *very high*. Intermediate ratings may also be given, e.g. *high to very high*.

- **efficiency**, i.e. if the Committee is optimising the relationship between its financial and human resource inputs and the quality of its Output Results⁵, with a particular emphasis on its orientation and functioning as key factors in this regard;
- **effectiveness**, i.e. whether the Committee's Output Results are being widely used and if they are bringing about widespread and long-lasting policy development impacts at the level of Members.

9. In total, 47 interviews took place with delegates, OECD officials, other international organisations and representatives of stakeholder organisations. A survey was conducted to collect data from policymakers, to which 26 Members responded, a participation rate of 74.3%. When weighted by Members' contributions, the participation rate stands at 84.7%.

10. Data from the three Medium-term Orientation Surveys of 2003, 2005 and 2007, and the PIR 2009-10 were also mobilised, along with other appropriate in-house sources.

11. Data sources and processing are described in Annex II.

3. Conclusions and recommendations of the evaluation

12. The extent to which the work programme and policy objectives of the CFA are relevant is assessed as high to very high, while its performance in terms of how efficiently it has been functioning and how effectively it is achieving its objectives is assessed as high and very high respectively. In this context, the evaluation identifies five areas where improvements could be made and corresponding recommendations are proposed.⁶

3.1 Assessment of relevance

13. The assessment of relevance is based on a qualitative appreciation and synthesis of indicators reflecting:

- the degree to which Members consider that the Output Area for which a committee is accountable represents a priority for the OECD's policy work in terms of changes in Part I funding;
- the extent of interest of OECD Members in a committee's work as evidenced by delegates willingness to travel from capitals to participate in meetings;
- the degree of alignment between a committee's mandated objectives/expected PWB outcomes and the policy needs of Members' policymakers, using data from the evaluation survey.

14. The work programme and policy objectives of the Committee are assessed as being of high to very high **relevance**.

4. Members should be understood to include both Member countries and the institutions of the European Union.

5. Output Results have been bundled into multi-biennial product streams for the purpose of the evaluation.

6. There have been no reports during interviews of actions being undertaken that were not in conformity with the Rules of Procedure.

15. This rating is first of all based on the observation that, over the period covered by the evaluation, there is a strong resonance between the vast majority of the policy impacts the Committee aims to achieve and the needs of policymakers. Secondly, capital-based delegate participation in the CFA and most of its sub-bodies has been high and relatively stable over the review period. By contrast, the results of successive MTO exercises suggest that the three Output Areas for which the Committee is accountable is a middle-ranking priority for Members in terms of changes in Part I funding.

16. Supporting analyses and findings can be found in paragraphs 61 to 71 in Annex I to this report. Key elements of the assessment are summarised below.

17. The extent to which a committee is able to influence policy development in key areas is determined by its capacity to understand policymakers' needs and transpose them into a set of objectives to be achieved via the implementation of a programme of work. Sixteen policy objectives, drawn from the mandates and work programmes of the CFA and its sub-bodies, were assessed with respect to policymakers' needs. All of the policy objectives of the Committee were assessed by one-half or more of responding Members as addressing a high policy need, reflecting the importance of the wide range of challenges addressed by the Committee.

18. Capital-based delegate participation, defined as the proportion of Members' delegations including at least one delegate from the capital in meetings, provides an indicator of the interest of technical and policy experts in successive work programmes, and the projects and operational objectives that they encompass. Overall, capital-based delegate participation in the Committee has remained high and relatively stable throughout the review period. This has been particularly the case of the CFA and Working Parties N°1, N°2 and N°8 (and its successor body, Working Party N°10) where participation has been situated between 90% and 100%. By contrast, capital-based delegate participation has usually been below 90% in the other sub-bodies and has fallen back in the most recent period.

19. Successive Medium-term Orientation surveys conducted since 2005 (covering the 2006-09 period), which provide OECD Members with an opportunity to collectively identify future priorities and desired budget reallocations from a whole-of-government perspective, indicate that Output Areas falling under the responsibility of the Committee have been a middle ranking priority in respect to changes in Part I funding.

3.2 *Assessment of efficiency*

20. The assessment of a committee's efficiency is based upon a qualitative appreciation and synthesis of its:

- technical efficiency, i.e. the extent to which it is producing work of a quality commensurate with the resources it draws from the Part I budget;
- process efficiency, i.e. the extent to which it orients and implements its work in an optimal fashion.

21. The performance of the Committee with respect to the criterion of **efficiency** is assessed as high.

22. This rating is motivated on the basis that the Committee is producing very high quality products, while taking into account some weaknesses in the level of the strategic steering of the Committee.

23. Supporting analyses and findings can be found in paragraphs 74 to 163 in Annex I to this report. Key elements of the assessment are summarised below.

3.2.1 *Technical efficiency*

24. Almost all of the eighteen products completed in the 2005 to 2010 period are judged as being of either *high* or *very high* quality by policymakers in a minimum of two-thirds of Members. Four product groups particularly stand out as they are highly rated by the totality of Members responding to the survey for the biennium 2009-10:

- Statistical publications on taxes and revenue and update of the OECD tax database;
- Updates and Extension of Transfer Pricing Guidelines;
- Updates and extension of the Model Tax Convention;
- Publications on topical tax policy issues.

3.2.2 *Process efficiency*

25. The current CFA mandate, dating from 2008, reflects the variety of areas of work covered by the Committee, each of them being dealt with by one or more working parties gathering delegates with specific profiles and positions in tax administrations and finance ministries. While the review of the mandate gave rise to limited discussion which resulted in mostly formal changes, the Committee's various policy communities have different and sometimes opposing views on both its evolution in recent years and what its "core mandate" and strategy should be in the future. The recognition of the need for more in-depth, mid-to-long term strategic reflection to steer the Committee's future orientations led to the organisation of a retreat of CFA bureau members along with the working party Chairs and/or Vice-Chairs in October 2011.

26. The development of the CFA's work programme, resulting from the consolidation of working party proposals, has also been modified since 2010 in order to feed into the process of developing strategic orientations. To support this more top-down approach, so-called "blue sky discussions" have been held during CFA meetings with a view to identifying key or emerging priorities to be considered for the next biennium. Despite these recent initiatives, the nature of the Committee's work programme process remains essentially bottom-up with the predominance of on-going work on international tax rules and standards, upon which the Committee has founded its reputation since its creation, and the growing importance of several areas of work resulting from the financial and economic crisis (such as domestic tax policy analysis, indirect taxes and the exchange of tax information). This leaves little room for the CFA to make adjustments to the proposals made by its working parties.

27. The CFA Bureau plays a key role in the preparation of meetings in close interaction with the Secretariat. This is also the setting where most of the strategic discussions are held. Although there is little doubt that this significantly contributes to the widely acknowledged efficiency of meetings, it has tended to limit the extent to which Committee decisions are fully inclusive of the broader membership. In order to allow for more strategic discussions to take place in CFA meetings, and in response to a growing demand for policy-oriented discussions following the financial and economic crisis, the Committee has decided to dedicate more of its meeting agendas to substantive issues. However, these discussions are still limited in terms of time as well as with respect to the number of countries actively engaged in them, possibly reflecting the extent to which the diversity of profiles amongst delegates is sufficient for the CFA to be able discuss wide-ranging, high-level policy issues.

Recommendation N°1: The CFA should develop its capacity to provide clear mid to long-term policy directions to help orient the work of the Committee as a whole.

28. Further to the reorganisation conducted in 2010 and the creation of the Treaty Relief and Compliance Enhancement Group (TRACE Group), the Committee has a complex structure including eleven Level II working parties and eight Level III sub-groups. The recourse to project-specific, temporary steering groups and experts advisory groups adds some flexibility to the committee architecture, especially in WP6, WP9 and WP10.

29. The reviews of the subsidiary bodies carried out in 2005-2006 remained on the level of each sub-body, although they were initially meant to adopt as much as possible a ‘whole-of-CFA perspective’. These exercises reviews did not lead to changes to the committee structure. However, significant changes in the structure of the Committee were implemented in 2010, following the creation of the Global Forum on Transparency and Exchange of Information for Tax Purposes (GFTEI) in 2009. These changes aimed to consolidate all activities related to exchange of information within a single sub-group in order to avoid duplication, to create an integrated platform to co-ordinate the relationship between the CFA and the GFTEI and to allow the CFA members to reach a common position prior to wider discussions in GFTEI. Another objective was to more clearly distinguish the work on tax crimes within the CFA.

30. Although this restructuring enabled the CFA to better seize opportunities linked to the G20 priority of implementing international standards in tax co-operation, the process which led to the changes was conducted rapidly, and with little consultation of the concerned working parties, thus being less comprehensive than it could have been.

31. Several of the Committee’s areas of work require co-ordination across several sub-bodies, with interactions as regards the maintenance of the various instruments overseen by the Committee having been co-ordinated through joint groups gathering together delegates and experts mainly from WP1, WP6 and WP8. By contrast, there are limited interconnections between work conducted by the Committee on the policy and administrative aspects of international taxation, particularly in the areas of transfer pricing and information exchange. In this context, the Forum on Tax Administration is, apart from some limited co-operative initiatives, working in isolation from the other Committee working parties. Moreover, since the FTA provides only limited reporting to the CFA, it is not in a position to ensure co-ordination between the different strands of work.

Recommendation N°2: The CFA should examine how to reduce any unnecessary duplication between the tax administration and tax policy dimensions of its work programme, including through a possible CFA-FTA annual joint-session.

32. The importance of engaging with non-Members was formally recognised as early as the 1990s, with the aim of diffusing standards beyond OECD Members. More recently, the relationships with non-Members have become more inclusive and demand-driven, being used not only to support the global adoption of the OECD standards, but also to bring country-specific support to non-Members and consult them when developing instruments. This evolution is reflected in the various approaches used to engage with non-Members.

33. The Global Relations Programme, which each year includes above 70 events that are highly appreciated by non-Members and positively evaluated by the Independent Evaluation Service (IES⁷), has

7. The Independent Evaluation Service (IES) consists of the Canada Revenue Agency and the UK Inland Revenue.

historically been focused on the Model Tax Convention (MTC) and Transfer Pricing Guidelines (TPG). The programme now more strongly integrates consultative and capacity building initiatives in tax policy and tax administration as recommended by the Task Force on Tax and Development. The Board for Co-operation with Non-OECD Economies (BCNOE) is mandated to supervise the Global Relations Programme. However, its role has developed significantly beyond this mandate over the review period. It is now responsible for the strategy and oversight of all aspects of the CFA's engagement with non-Members and this has on occasion resulted in overlaps with the CFA.

34. The CFA also engaged with non-Members through their participation in meetings as observers, preferably in all its subsidiary bodies. Despite significant differences in the degree of participation and involvement of these countries, observership has enabled a fruitful and systematic dialogue with key non-Members, especially Argentina, China, India, Russia and South Africa and, to a lesser extent, Brazil. Furthermore, global relations initiatives are also increasingly integrated into regional networks, in particular MENA for the Middle East North Africa region, SEE for South East Europe and, since 2010, LAC for Latin American and Caribbean countries.

35. In order to cope with the challenge of fostering greater involvement of non-Members beyond the status of observer, the Committee has granted a key governance role to non-Members in some of its working parties, including China as Vice-Chair in WP10 and South Africa as co-chair of the Informal Task Force on Tax and Development. The Committee also currently undertakes reviews of enhanced engagement countries with a view to offering them access to a full participant status, which requires compliance with the Committee's "core principles" in each of its main areas of work. Although the results of the preliminary reviews are positive to date, this step toward full participation involves significant changes to tax laws, policies and administration for most of these countries. A 3-year partnership programme consisting of high-level policy and technical events was signed with India in 2011 aiming to support the catch-up process and eventually leading to full participation. Dedicated partnership programmes with other enhanced engagement countries demonstrating interest may be initiated in the future.

36. The Global Forum on Taxation also went through major changes resulting from the 2007 external review of OECD Global Forums and the G20's call for a strong multilateral approach to tax information exchange in the aftermath of the financial and economic crisis. The Global Forum restructuring in 2009 led to the creation of two distinct structures: the Global Forum on Tax Treaties and Transfer Pricing and the Global Forum on Transparency and Exchange of Information for Tax Purposes (GFTEI). The former, created by the CFA to function under its direction, was recently split into two distinct annual events dealing respectively with tax treaties and transfer pricing. The GFTEI was created by Council as a Level I, Part II programme and is served by a dedicated self standing secretariat based in the CTP. A possible global forum on VAT has also been proposed and discussed in the WP9 and the CFA in 2011.

37. Although the wide membership of the GFTEI and the countries' active involvement in its peer review process can be seen as evidences of a major success, the extent and nature of the GFTEI's influence on CFA global relations activities is still an open question at this early stage. The fine-tuning of the relationship established between the GFTEI and the newly created WP10, which is meant to provide the interface between the Forum and the Committee, will be key to the global adoption of OECD standards and their improvement in the longer term.

Recommendation N°3: The CFA should review how the Committee's relations and activities with non-Members currently implemented under the responsibility of the BCNOE, are directed with a view to providing them with more strategic steering and broadening the involvement of delegates in decision making in this area.

38. The CFA has collaborated in different ways with a range of other OECD committees during the review period. Since the outbreak of the crisis, tax-related issues have become even more pervasive, resulting in a growing demand for tax expertise, especially addressed to Working Party N°2 on Tax Policy Analysis and Tax Statistics. The latter also participates in the Joint Meetings of Tax and Environment Experts, which formally reports to both the CFA and the Environment Policy Committee through an annual back-to-back session. Also noteworthy, given its potential role in the Committee's outreach, is the OECD Informal Task Force on Tax and Development led by the CFA and the Development Assistance Committee.

39. The CFA co-operates with several other regional and international organisations involved in tax-related issues, through observerships (the International Monetary Fund and the World Bank) as well as a number of specialised international networks and groups whose secretariats are hosted within the CTP (the International Tax Dialogue, Financial Action Task Force, the OECD-Council of Europe Convention on Mutual Administrative Assistance in Tax Matters). Despite a degree of delegate cross-participation between the CFA and the UN Committee of Experts on International Cooperation in Tax Matters, which makes use of OECD standards as the basis of most of its work, there are limited formal relationships between the two bodies. In this context, the complementarities between their activities, in particular in terms of supporting the diffusion of global tax rules and standards are not being exploited. Furthermore, there is a risk in the short term of duplicate standards in the area of transfer pricing and in the mid-term in of duplication in other tax should the UN Committee be upgraded in status. The relationships between the CFA and the IMF, although it has benefited from their common participation in the ITD, has also recently raised concerns as the OECD Informal Task Force on Tax and Development touches upon an area in which the IMF has been active for more than a decade.

Recommendation N°4: The CFA should strengthen its relations with other international organisations in order to avoid overlaps and duplication, in particular in the area of relations with non-Members.

40. Depending on the issues concerned, the CFA interacts with BIAC in a number of ways, notably through the attendance of BIAC delegates in sub-body meetings and the participation in advisory groups for business inputs on specific topics, the latter option being highly praised by the different partners. However, the absence of a formal relationship at the level of the CFA leaves BIAC little opportunity to provide more policy level contributions to the Committee's work. The Committee has no direct relationship with TUAC or NGOs despite the growing interest within civil society more generally, in tax policy issues subsequent to the financial and economic crisis.

Recommendation N°5: The CFA should provide the opportunity for the institutional social partners and other stakeholders to make contributions at all levels of the Committee, including in policy-making discussions.

3.3 *Assessment of effectiveness*

41. The assessment of effectiveness primarily draws on the results of the evaluation and PIR surveys of informed policymakers in Member countries and reflects the extent to which Output Results are being used *and* are having a policy impact, i.e. influencing the development of policy in line with the CFA's objectives and eventually leading to long-lasting policy changes.

42. The performance of the CFA with respect to the criterion of **effectiveness** is assessed as very high.

43. Supporting analyses and findings can be found in paragraphs 157 to 163 in Annex I to this report. Key elements of the assessment are summarised below.

44. This rating is based on the finding that the work of the Committee completed between 2005 and 2010 is having a significant impact on policy and contributing to long-lasting policy change across much of the OECD Membership.

45. All CFA product groups delivered during the review period have had a *medium* or higher impact in one-half or more of Members. Three in particular stand out with respect to their *very high* level of impact:

- Updates and extension of the Model Tax Convention;
- Updates and Extension of Transfer Pricing Guidelines;
- Products in the area of exchange of information and assistance in tax collection.

46. Also noteworthy is the growing impact over the review period of products related to tax policy reforms undertaken in many capitals in the aftermath of the financial and economic crisis, i.e. the analytical work on tax policy as well products related to consumption taxes.

47. The Committee has been making a significant contribution to long-lasting policy change through the development and continuous updating of international standards as well as through the production of key comparative tax-related data and analyses which are widely used by Members to support domestic tax legislations, policies and administrations.

4. Proposed action

48. In the light of the preceding, the Council is invited to adopt the following draft conclusions:

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- a) noted document [C\(2012\)25](#);
- b) noted that the Evaluation Committee (hereafter “EVC”) assessment with regard to the Committee on Fiscal Affairs (hereafter “CFA”) was “high to very high” for the evaluation criteria of relevance,, “high” for efficiency and “very high” for effectiveness;
- c) approved the following recommendations proposed by the EVC, namely that the CFA should:
 - i) develop its capacity to provide clear mid to long-term policy directions to help orient the work of the Committee as a whole;
 - ii) examine how to reduce any unnecessary duplication between the tax administration and tax policy dimensions of its work programme, including through a possible CFA-FTA annual joint-session;
 - iii) review how the Committee’s relations and activities with non-Members currently implemented under the responsibility of the BCNOE, are directed with a view to providing them with more strategic steering and broadening the involvement of delegates in decision making in this area;

- iv) strengthen its relations with other international organisations in order to avoid overlaps and duplication, in particular in the area of relations with non-Members;
- v) provide the opportunity for the institutional social partners and other stakeholders to make contributions at all levels of the Committee, including in policymaking discussions;
- d) invited the CFA to take the appropriate measures for the implementation of recommendations set out in sub-paragraph c), items i) to v) above;
- e) invited the EVC to monitor the implementation of the recommendations and to submit a report on this matter to the Council before the end of March 2013.

ANNEX I
ANALYSIS AND FINDINGS

1. The Committee on Fiscal Affairs

49. The CFA is a Level I committee created in 1971. The duration of its current mandate is until the end of 2013. Until 2010, the substructure of the Committee⁸ was composed of the following Level II sub-bodies:

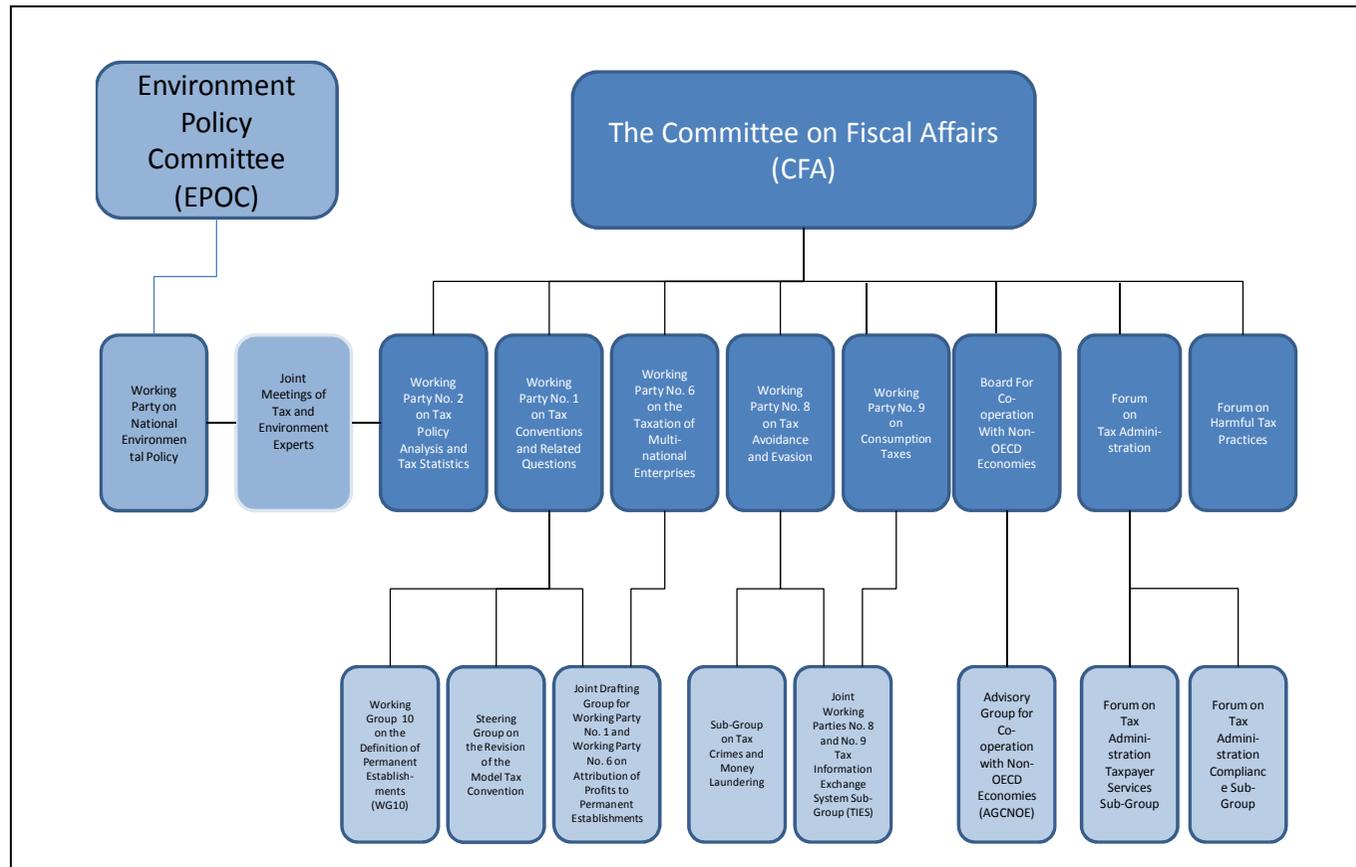
- reporting uniquely to CFA
 - Board for Co-operation with Non-OECD Economies (created 2001);
 - Working Party N°1 on Tax Conventions and Related Questions (created 1971);
 - Working Party N°2 on Tax Policy Analysis and Tax Statistics (created 1971);
 - Working Party N°6 on the Taxation of Multinational Enterprises (created 1973);
 - Working Party N°8 on Tax Avoidance and Evasion (created 1977);
 - Working Party N°9 on Consumption Taxes (created 1998);
 - Forum on Harmful Tax Practices (created 1998);
 - Forum on Tax Administration (created 2005);
- reporting jointly to the CFA and the Environment Policy Committee (EPOC)
 - Joint Meetings of Tax and Environment Experts (created in 2001) bringing together experts from EPOC's Working Party on National Environmental Policy (now was recently renamed the Working Party on Integrating Environmental and Economic Policies), and to CFA's Working Party n°2 on Tax Policy Analysis and Tax Statistics.

50. The substructure of the CFA in place for most of the review period, including the various formal bodies created by its working parties, is detailed in Figure 1.⁹

8. By convention, references to the CFA made in this report concern the substantive committee, i.e. the body that reports directly to Council. References to the Committee should be understood as meaning the substantive committee and the bodies within its substructure.

9. Also operating under the responsibility of the CFA is the Global Forum on Tax Treaties and Transfer Pricing, created in 2009.

Figure 1 Structure of the Committee on Fiscal Affairs (2005 to 2010)



51. In September 2010, following a review of the structure of the CFA, a decision was taken to:¹⁰

- replace Working Party N°8 on Tax Avoidance and Evasion with a new Level II sub-body, *Working Party N°10 on Exchange of Information and Tax Compliance*;
- transform the Level III Sub-Group on Tax Crimes and Money Laundering Sub-Group of Working Party N°8 into a new Level II body, the *Task Force on Tax Crimes and Other Crimes*.

52. In addition, in January 2011, the CFA agreed to create the Treaty Relief and Compliance Enhancement Group (TRACE).

53. For most of the review period, the Committee implemented its work programme within the following Output Groups and Output Areas:

- Output Group 3.3 - *International taxation*:
 - Output Area 3.3.1 – *Tax policies and international standards*;
 - Output Area 3.3.2– *International tax co-operation*;
- Output Group 4.3 - *Effective and Efficient Government*:
 - Output Area 4.3.3 – *Tax administration*.

54. In the framework of the PWB 2009-10 the work of the CFA was consolidated into a single Output Area (3.3.1 - Taxation)

55. Under the oversight of the Committee, some twenty legal instruments have been adopted by the OECD, five of which since 2005:¹¹

- Recommendation of the Council to Facilitate Co-operation between Tax and Other Law Enforcement Authorities to Combat Serious Crimes (2010);
- Recommendation of the Council on Tax Measures for Further Combating Bribery of Foreign Public Officials in International Business Transactions (2009);
- Recommendation of the Council on Attribution of Profits to Permanent Establishments (2008);
- Recommendation of the Council on 2010 Update to the OECD Model Tax Convention [[C\(2010\)106](#)];
- Recommendation on the Determination of Transfer Pricing between Associated Enterprises [[C\(2010\)99](#)].

56. The Secretariat of the CFA is situated within the Centre for Tax Policy and Administration Directorate (CTP).

10. [CE\(2010\)13](#).

11. [C\(2010\)119](#), [C\(2009\)64](#) and [C\(2008\)106](#) [amended in 2009 [C\(2009\)88](#) and 2010 [C\(2010\)105](#) respectively]. Legal instruments under CFA's responsibility can be found at: <http://acts.oecd.org/Instruments/ListByCommitteeView.aspx>

2. Policy Environment

57. Key elements of the policy context for the work of CFA, as derived from the PWBs of 2005-06, 2007-08 and 2009-10, are as follows:

- Output Area 3.3.1 – Tax policies and international standards
 - Globalisation is increasingly challenging the balance between public support to open international trade through the removal of any tax obstacles and the use of taxes for funding better and more effective public services and infrastructure, which also condition economic growth.
 - National tax policies and international rules and standards need to adapt to fast changing business structures, which frequently lead to complex distribution of activities and resources within new world-wide supply chain models.
 - Rapid growth and internationalisation of several non-Members and enhanced engagement countries has increased the risks of double taxation and other taxation disputes, which creates uncertainty for businesses and therefore hampers economic growth in both OECD and non-OECD economies.
 - Tax reform has become an on-going process and within this environment it will become increasingly important to ensure that tax systems remain competitive and do not develop into obstacles to international trade in both goods and services.
- Output Area 3.3.2– International tax co-operation
 - Rapid advances in information technology combined with the liberalisation and integration of financial markets, as well as the persistence of tax havens, facilitate cross-border tax evasion and create opportunities for more complex aggressive tax planning schemes, including VAT fraud. These challenges jeopardise both the neutrality of the tax system and the financing of public services.
 - Financial crimes such as money laundering and terrorist financing, share some techniques and networks with tax crimes. International exchange and cooperation must therefore be supported between the efforts to combat these related illicit activities.
- Output Area 4.3.3 – Tax administration
 - Tax administrations increasingly face increasing pressures in a context characterised by significant compliance issues and crisis and post-crisis limitations of resources while having to respond to growing expectations for more effective and efficient public services, notably taking advantage of progress in information technology.

58. As previously mentioned, the work of the CFA is now only implemented in Output Area 3.3.1. However, the policy context remains for the most part unchanged, all key elements being since then gathered under this Output Area.

3. Orientations and functioning

3.1 *Analysis of relevance*

59. The analysis of relevance focuses primarily on the extent to which a body addresses the policy priorities, needs and interests of OECD Members.¹² The extent to which a committee is considered to be

12. In the interest of clarity, references to Members include both Member countries and the European Commission.

relevant depends in part on whether a policy field in which it works is considered by Members to be appropriate for Part I funding. At a more operational level, the attractiveness of its work programme for technical and policy experts residing in capitals as potential contributors to its work provides an indication of relevance. Finally, the capacity of a committee to understand end-users' policy needs, transpose them into objectives and design a work programme that is in alignment with these objectives provides a specific basis for analysing the relevance of a committee's aims (or intended impacts) as expressed in its mandate and the Programme of Work and Budget.

60. Data are drawn from different sources to make this analysis:

- Medium-term Orientations Surveys conducted in 2003, 2005 and 2007 covering the 2004 to 2010 period;
- delegate attendance at meetings as evidenced in participation lists;
- a questionnaire survey addressed to Members' policymakers.

3.1.1 Overall relevance of the CFA and its work

61. The Medium-term Orientation surveys¹³ of 2003, 2005 and 2007 indicate that there has been a modest decrease in priority across the three concerned Output Areas, from largely higher priority to middle-ranking priority in terms of changes in Part I funding. In this context, Output Area 4.3.3 has consistently been a middle ranking priority while 3.3.1 and 3.3.2 have both gone from higher to middle-ranking priorities over the review period (See Table 1).

13. The objective of the MTO survey is to ascertain Members' views as to the desired direction of resources in the OECD's policy work over the medium term. In the context of In-depth Evaluation, the desire of Members to move resources into or away from an Output Area is used as a proxy for the relevance of the work vis-à-vis their policy needs. The survey has been refined since its inception in 2003, but the basic question that it poses is unchanged, i.e. whether resources allocated to each of the 'substantive' Output Areas in the Organisation's Strategic Management Framework should be increased, remain about constant, or be decreased. [[C\(2007\)52/REV1](#)].

Table 1 Members' priorities in Output Areas 3.3.1, 3.3.2 and 4.3.3¹⁴

Output Area		Responses	Increase	Constant	Decrease	Exit	Categorisation
3.3.1 – Tax policies and international standards	MTP 2003	29	10	19	0	0	Higher priority
	MTO 2005	31	4	26	1	0	Middle-ranking priority
	MTO 2007	31	3	27	1	0	Middle-ranking priority
3.3.2– International tax cooperation	MTP 2003	29	9	16	3	1	Higher priority
	MTO 2005	31	7	22	2	0	Higher priority
	MTO 2007	31	0	29	1	1	Middle-ranking priority
4.3.3 – Tax administration	MTP 2003	29	0	25	4	0	Middle-ranking priority
	MTO 2005	31	4	24	3	0	Middle-ranking priority
	MTO 2007	31	2	25	2	2	Middle-ranking priority

Source: Medium-term Prioritisation Exercise (MTP) of 2003 [[C\(2003\)202](#)], Medium-term Orientations (MTO) Survey for 2007-08 conducted in 2005 [[C\(2005\)188](#)] and Council13-14 November 2007, Room Document No.3.

62. The participation of delegates from capitals in CFA and the meetings of the sub-bodies reporting to it¹⁵ is used as an indicator of the interest of technical and policy experts in successive work programmes, as well as the projects and operational objectives they encompass.

63. Overall, capital-based delegate participation in the Committee has remained high and relatively stable throughout the review period (See Table 2 and Table 3).

64. Since 2005, the quasi-totality of the membership have sent capital-based delegates to participate in CFA and Working Party N°1 meetings, i.e. 98% or more in five of the six years covered by the evaluation, while participation in Working Party N°2 has increased to a similar level in the 2008-2010/11 period. Capital-based delegate participation in Working Party N°9 has also tended to be higher in recent years, averaging 93% in the second half of the review period.

14. The period covered by the three exercises is from 2006 to 2010. Higher Priority Output Areas are defined as seven or more Members indicating that they would prefer to increase activity in the concerned policy field. Lower Priority Output Areas are defined as seven or more Members indicating that they would prefer to reduce or exit from activity in the concerned policy field. Middle-ranking Output Areas are thus characterised as being situated between the two. The 2009 MTO extends beyond the period covered by this evaluation and adopt a significantly different structure of Output Areas. However, it indicates that the single Output Area 3.3.1 “Taxation” remains a middle-ranking priority for the 2011-12 Biennium.

15. The Joint Meetings of Tax and Environmental Experts, provides a means of horizontal working, and as such is examined in Chapter 3.2.6, while the Board for Co-operation with non-Members (BCNOE) is examined in Chapter 3.2.5 which focuses on the Committee’s global relations activities.

65. In contrast, other sub-bodies have experienced, from 2005 to 2010/11, a fall in participation, albeit from a high level, most noticeably Working Party N°6 (-9.9%), the Forum on Tax Administration (- 8.6%) and the Forum on Harmful Tax Practices (-6.2%). Working Party N°8, prior to being replaced by another body as a result of the 2010 reorganisation, also saw attendance drop (-4.5%), though this followed a three-year period during which all Members had systematically participated in all of its meetings.

Table 2 Capital-based delegate participation of OECD Members in the meetings of CFA and its sub-bodies

Body		Share and number of Members' Delegations including at least one capital-based delegate						
		2005	2006	2007	2008	2009	2010*	2011
Committee on Fiscal Affairs	Participation of capital-based delegates (%)	98.4%	98.4%	93.5%	98.4%	100.0%	98.4%	95.7%
	Number of which "near"	23.5	23.5	22.0	23.5	24.0	23.5	25.5
	Number of which "far"	7.0	7.0	7.0	7.0	7.0	7.5	8.0
Working Party No.1 on Tax Conventions and Related Questions	Participation of capital-based delegates (%)	98.4%	95.2%	98.4%	100.0%	98.4%	98.5%	98.6%
	Number of which "near"	23.5	22.5	24.0	24.0	23.5	24.5	26.5
	Number of which "far"	7.0	7.0	6.5	7.0	7.0	7.5	8.0
Working Party No.2 on Tax Policy Analysis and Tax Statistics	Participation of capital-based delegates (%)	91.9%	95.2%	91.9%	100.0%	100.0%	95.5%	94.3%
	Number of which "near"	23.5	23.5	21.5	24.0	24.0	24.0	27.0
	Number of which "far"	5.0	6.0	7.0	7.0	7.0	7.5	6.0
Working Party No.6 on the Taxation of Multinational Enterprises	Participation of capital-based delegates (%)	95.2%	91.9%	88.7%	85.5%	75.8%	84.6%	82.9%
	Number of which "near"	23.0	22.0	21.0	21.0	19.0	21.5	23.0
	Number of which "far"	6.5	6.5	6.5	5.5	4.5	6.0	6.0
Working Party No.8 on Tax Avoidance and Evasion	Participation of capital-based delegates (%)	100.0%	100.0%	100.0%	96.8%	96.8%	90.3%	Succeeded by WP10
	Number of which "near"	24.0	24.0	24.0	23.0	23.5	21.0	
	Number of which "far"	7.0	7.0	7.0	7.0	6.5	7.0	
Working Party No.9 on Consumption Taxes	Participation of capital-based delegates (%)	80.6%	90.3%	91.9%	93.5%	96.8%	89.2%	82.9%
	Number of which "near"	18.50	21.50	22.50	22.50	23.00	22.00	23.00
	Number of which "far"	6.50	6.50	6.00	6.50	7.00	7.00	6.00
Working Party No. 10 on Exchange of Information and Tax compliance	Participation of capital-based delegates (%)	First Meeting in 2010 (successor to WP8)					91.4%	97.1%
	Number of which "near"						24.0	26.0
	Number of which "far"						8.0	8.0
Forum on Harmful Tax Practices	Participation of capital-based delegates (%)	90.3%	82.3%	87.1%	87.1%	74.2%	77.4%	82.9%
	Number of which "near"	21.0	20.5	21.0	22.0	18.0	19.0	22.0
	Number of which "far"	5.5	5.0	6.0	5.0	5.0	5.0	7.0
Forum on Tax Administration	Participation of capital-based delegates (%)**	96.8%	87.1%	-	87.1%	80.6%	82.4%	--

Source: Meeting summaries and EMS

* Calculated to take into account the accession of four new Members over 2010.

** "near" and "far" Participation of capital-based delegates are not provided since FTA meetings are not held at OECD Headquarters

Table 3 Synthesis of Capital-based delegate participation of Members

Average	Committee on Fiscal Affairs (CFA)	Working Party No. 1 on Tax Conventions and Related Questions	Working Party No. 2 on Tax Policy Analysis and Tax Statistics	Working Party No. 6 on the Taxation of Multinational Enterprises	Working Party No. 8 on Tax Avoidance and Evasion	Working Party No. 9 on Consumption Taxes	Forum on Tax Administration (FTA)	Forum on Harmful Tax Practices (FHP)
2005-07	96.8%	97.3%	93.0%	91.9%	100.0%	87.6%	91.9%	85.8%
2008-10	98.9%	98.9%	98.4%	82.0%	95.5%	93.1%	83.3%	79.6%
Change	2.2%	1.6%	5.4%	-9.9%	-4.5%	5.5%	-8.6%	-6.2%

3.1.2 Members' needs and committee objectives

66. The extent to which a committee is able to influence policy development in key areas is determined by its capacity to understand policymakers' needs and transpose them into a set of objectives to be achieved via the implementation of its programme of work.

67. The work of the Committee is intended to contribute to the achievement of the OECD's Strategic Objective 3 of *Contributing to shaping globalisation for the benefit of all through the expansion of trade and investment* and Strategic Objective 4 of *Enhancing Public and Private Sector Governance* (up to 2007). In the framework of the CFA's current mandate, the Committee's overarching policy objective¹⁶ is *to contribute to the shaping of globalisation for the benefit of all through the promotion and development of effective and sound tax policies and guidance that will foster growth and allow governments to provide better services to their citizens and enable OECD and non-OECD governments to improve the design and operation of their national tax systems, to promote co-operation and co-ordination among them in the area of taxation and to reduce tax barriers to international trade and investment.*

68. The CFA mandate also includes the following mid-level objectives:

- to facilitate the negotiation of bilateral tax treaties and the design and administration of related domestic legislation;
- to promote communication between countries and the adoption of appropriate policies to prevent international double taxation and to counteract tax avoidance and evasion;
- to encourage the elimination of tax measures which distort international trade and investment flows;
- to promote a climate that encourages mutual assistance between countries and establish procedures whereby potentially conflicting tax policies and administrative practices can be discussed and resolved;
- to support domestic tax policy design through the development of high quality economic analysis of tax policy issues, comparative statistics and comparisons of country experiences in the design of tax systems;
- to improve the efficiency and effectiveness of tax administrations, both in terms of taxpayer services and enforcement;

16. The definition of policy objective used here is a statement that reflects an intended use and/or impact of a committee's work at country level. Similarly, expected outcomes are also defined as use and/or impact at country level.

- to support the integration of non-OECD economies into the international economy by strengthening policy dialogue with them to increase their awareness of and contribution to the Committee's standards, guidelines and best practices.

69. During the period from 2005 to 2010, as expressed in successive Programmes of Work and Budget, the expected outcomes of the Output Results produced under the Committee's responsibility have been:

- in Output Area 3.3.1
 - to increase awareness, understanding, use and relevance by Member and non-Member economies of the OECD Model Tax Convention, Transfer Pricing Guidelines and other OECD instruments as the basis for negotiation of bilateral tax treaties and designing and administering related domestic legislation (PWB 2005-06, 2007-08 and 2009-10);
 - to reduce risks of double taxation (and unintentional non-taxation), tax-induced distortions to trade and international taxation disputes (PWB 2005-06, 2007-08 and 2009-10);
 - to increase awareness and use of high quality tax policy analysis, comparative statistics and comparisons of country experience in the design of tax problem (PWB 2007-08 and 2009-10);
 - to increase use by member countries and non-member countries of OECD's comparative analysis in their tax reform debates (PWB 2007-08 and 2009-10);
 - to encourage international trade and investment (PWB 2007-08 and 2009-10);
 - to promote tax reforms which reconcile the needs to achieve more competitive, fairer and simpler tax systems (PWB 2007-08 and 2009-10);
 - to increase the understanding of the effects of tax policy on the environment, climate change, inequality and innovation (PWB 2009-10);
 - to increase the awareness by Member governments of the compliance challenges arising from globalisation (PWB 2009-10 – 3.3.2 in PWB 2005-06 and PWB 2007-08);
 - to increase awareness of different approaches to improve compliance (PWB 2009-10; 4.3.3 in PWB 2005-06 and 2007-08);
 - to reduce disputes between governments, and between governments and taxpayers, regarding the proper taxation of cross-border investment and activities (PWB 2009-10);
 - to improve compliance with tax laws and enhance the ability to detect non-compliance (PWB 2009-10; 3.3.2 in PWB 2007-08);
 - to combat competitive distortions caused by schemes that enable a few taxpayers to avoid taxes at the expense of the majority of compliant taxpayers (PWB 2009-10; 3.3.2 in PWB 2007-08);
 - to improve transparency and exchange of information; agreements with offshore financial centres (PWB 2009-10; 3.3.2 in PWB 2007-08);
 - to implement best practices in tax administration (PWB 2009-10; 4.3.3 in PWB 2005-06 and 2007-08);
 - to improve standards in taxpayer services (PWB 2009-10; 4.3.3 in PWB 2005-06 and 2007-08);

- to develop better taxpayer compliance and lower compliance and administrative costs (PWB 2009-10; 4.3.3 in PWB 2007-08);
 - to improve efficiency and effectiveness of tax administrations, both in terms of taxpayer services and enforcement (PWB 2009-10; 4.3.3 in PWB 2007-08);
 - to develop greater effectiveness in the investigation of tax crimes and money laundering (PWB 2009-10; 3.3.2 in PWB 2005-06 and 2007-08);
 - to develop fairer and more balanced tax systems, promoting fairer tax competition (PWB 2009-10; 3.3.2 in PWB 2007-08);
 - to develop a secured revenue base which means that Governments can provide the services voted by their citizens (PWB 2009-10; 4.3.3 in PWB 2007-08).
- In Output Area 3.3.2
 - to increase awareness by member governments of the compliance challenges arising from globalisation (PWB 2005-06 and 2007-08; 3.3.1 in PWB 2009-10);
 - to acknowledge the links between money laundering, financing terrorism and tax evasion (PWB 2005-06 and 2007-08);
 - to improve the effectiveness in the investigation of tax crimes and money laundering (PWB 2005-06 and PWB 2007-08; 3.3.1 in PWB 2009-10);
 - to improve co-operation and reduce duplication of efforts between international organisations working the tax area (PWB 2007-08);
 - to improve compliance with tax laws and enhance the ability to detect non-compliance (PWB 2007-08 – 3.3.1 in PWB 2009-10);
 - to improve transparency and exchange of information; to make agreements with offshore financial centres (PWB 2007-08; 3.3.1 in PWB 2009-10);
 - to develop fairer and more balanced tax systems, and to promote fairer tax competition (PWB 2007-08; 3.3.1 in PWB 2009-10);
 - to combat competitive distortions caused by schemes that enable a few taxpayers to avoid taxes at the expense of the majority of compliant taxpayers (PWB 2007-08; 3.3.1 in PWB 2009-10).
 - In Output Area 4.3.3
 - to improve awareness of different approaches to improve compliance (PWB 2005-06 and 2007-08; 3.3.1 in PWB 2009-10);
 - to implement best practices in tax administration (PWB 2005-06 and 2007-08; 3.3.1 in PWB 2009-10);
 - to improve standards in taxpayer services (PWB 2005-06 and 2007-08; 3.3.1 in PWB 2009-10);
 - to improve taxpayer compliance and reduce compliance and administrative costs (PWB 2007-08; 3.3.1 in PWB 2009-10);
 - to improve efficiency and effectiveness of tax administrations, both in terms of taxpayers services and enforcement (PWB 2007-08; 3.3.1 in PWB 2009-10);
 - to secure a revenue base so the Governments can provide the services voted by their citizens (PWB 2007-08; 3.3.1 in PWB 2009-10).

70. Following a process of synthesis, the abovementioned mandated objectives and expected outcomes were consolidated into sixteen policy objectives reflecting the impacts the CFA has aimed to achieve through its work. Members' policymakers were subsequently requested to assess the extent to which the policy objectives corresponded to their needs. The performance benchmark used is that a policy objective is reported as highly relevant in 50% or more of Members responding to the survey.

71. All of the policy objectives of the Committee were assessed by one-half or more of responding Members as addressing a high policy need, reflecting the importance of the wide range of challenges addressed by the Committee. The policy objective related to the work with Non-Members was only slightly above the performance benchmark.

Table 4 Relevance of mandated objectives and PWB expected outcomes to Members' policy needs

Expected Outcomes/Policy Objectives	High relevance	Expected to rise in relevance
To reduce the risks of tax-induced distortions to international trade and investment	96%	42%
To reduce the risks of international double taxation and unintentional non-taxation	92%	58%
To reduce the risks of international tax disputes between governments, and between governments and taxpayers	88%	58%
To promote mutual assistance between countries and procedures whereby best practices can be established and potentially conflicting tax policies and administrative practices can be discussed and resolved	88%	52%
To counteract tax avoidance and evasion through international cooperation with other countries on this issue	85%	60%
To improve transparency and exchange of information, reach and implement agreements with offshore financial centres	84%	52%
To continually assess and, where desirable, improve tax policy design and the design and operation of the domestic and international tax system	81%	65%
Tax reforms to achieve a more competitive, fairer and simpler tax system	80%	64%
To promote fairer tax competition	79%	60%
To develop a secured revenue base which means that governments can provide the services voted by their citizens	77%	46%
To increase understanding of the effects of tax policy on the environment, climate change, inequality and innovation	76%	50%
To improve the efficiency and effectiveness of our domestic tax administration in terms of taxpayer services and enforcement	73%	58%
To improve compliance with tax laws, enhance the ability to detect non-compliance and lower compliance and administrative costs	72%	42%
To reduce competitive distortions caused by schemes that enable a few taxpayers to avoid taxes at the expense of the majority of compliant taxpayers	72%	52%
to develop greater effectiveness in the investigation of tax crimes, particularly in acknowledgement of the links between such crimes and money laundering, corruption and other serious crimes	68%	60%
To support the integration of non-OECD economies into the international economy by increasing their awareness of and contribution to international standards, guidelines and best practices in the area of tax policy and administration	54%	31%

Source: Evaluation survey (26 responses).

3.2 *Analysis of efficiency*

72. The efficiency of a committee is analysed, on the one hand, on the basis of the extent to which it is functioning in an optimal manner (i.e. its process efficiency) and, on the other hand, the quality of its Output Results and the resources employed to produce them (i.e. its technical efficiency).

73. Data from the following sources were primarily used to make this analysis:

- Members' assessment of the quality of the Committee's Output Results for the period 2005-08, collected via a questionnaire survey and the PIR Survey for 2009-10;
- interviews with delegates of the Committee and OECD officials on the way in which it orients and implements its work, including the subject of interactions within the OECD and with non-OECD entities;
- interviews with officials in other international organisations and representatives of other stakeholders bodies interacting with the Committee;
- meeting summaries and other key documents produced by the Committee.

3.2.1 *Setting the policy direction of the Committee*

74. The policy direction of an OECD body, *i.e.* the policy impacts that it intends to achieve through its work, should be expressed within its mandate, the mandates of its key sub-committees when appropriate (e.g. when the degree of specialisation within a committee structure is high) and as expected outcomes in its programme of work. The extent to which intended policy impacts (*i.e.* policy objectives) are able to capture the needs of key policymakers depends on the processes through which mandates and work programmes are drawn up.

75. The previous CFA mandate expired in 2008 and was consequently revised that same year. Discussions were held within the CFA in January 2008,¹⁷ based on a secretariat proposal largely drawn from a mission statement developed in 1995 and slightly revised in 2002.¹⁸ The proposed mandate was revised, with minor adjustments, in the light of delegates' comments and approved at the CFA meeting of June 2008.¹⁹ Feedback from delegates indicates the discussions that took place on the mandate were relatively limited in nature.

76. The differences between the 2008 and 2002 mandates were largely formal, consisting mainly of the addition of an overarching objective and the recognition of the priority given to the work with non-Members.²⁰

77. In October 2011, the CFA Bureau held, for the first time, a retreat during which strategic as well organisational issues were addressed. The retreat responded amongst other things to the recognition of the need for more in-depth, mid-to-long term strategic reflection to steer the Committee's future orientations.

78. With respect to the development of the CFA's work programme, the initial stage consists of discussions held in the working parties and groups during the first year of the new biennium, on the basis of a list of possible projects proposed by the Secretariat. After a process of rating and discussion, each working party prepares a list of projects which the CFA discusses and eventually the CFA Bureau makes a consolidated proposal to be discussed during CFA meetings. The resulting draft work programme, most often with only minor changes to the working parties' initial proposals, is sent back to subgroups for verification before final endorsement. In the case of the Joint Meetings of Tax and Environment Experts, the development of the work programme follows a similar process, on the basis of an initial proposal from

17. [CTPA/CFA/M\(2008\)1](#).

18. [CTPA/CFA\(2008\)10](#).

19. [CTPA/CFA/M\(2008\)2/REV1](#).

20. [C\(2008\)147](#).

the two concerned Secretariats, with a list of projects being submitted to both the CFA and EPOC for approval.²¹

79. The elaboration of the programme of work of the Committee is considered by a vast majority of delegates as transparent and effective, due to the preparatory work of the Secretariat and the involvement of the working party Chairs, and in cases where they exist, their bureaus. However, the nature of this process means that it leaves little room for the CFA to make adjustments to the work programme given the predominance of on-going work on international tax rules and standards, as well as the growing importance of several areas of work as a consequence of the financial and economic crisis, such as domestic tax policy analysis, indirect taxes and the exchange of tax information.

80. In 2010, the CFA adopted a more “top-down” approach for preparing the 2011-2012 PWB in light of the changing policy environment and the necessity to reconcile its own priorities with those set centrally within the Organisation²². To support this approach, high level discussions have been held during CFA meetings with a view to identifying key or emerging priorities to be considered for the next biennium. These so-called “blue sky discussions” are now the first step in the preparation of the programme of work.²³ Although the addition of this item in CFA’s meeting agenda is well appreciated by most delegates, several – mainly decision makers in international tax divisions – raised the question of whether the CFA had the appropriate diversity of profiles (i.e. the right mix of senior policymakers, administrations and international tax experts) to discuss the wide-ranging, high-level policy issues raised in these sessions.

3.2.2 *Reorganisation of the Committee*

81. In 2005 and 2006, the CFA carried out a set of in-depth reviews of the activities of its subsidiary bodies. This initiative aimed to enable the CFA to reflect on the longer term direction and organisation of its work from the perspective of its subsidiary bodies, to develop its work programme and related resource allocation issues outside the biannual programming process. The reviews were conducted two at a time and then discussed in the CFA. Reviewers were invited to adopt as much as possible a ‘whole-of- CFA perspective’, as well as a ‘CFA horizontal perspective’, while considering each sub-body.²⁴ The main conclusion of this review process was that the structure of the CFA was adequate and did not require any change.

82. The restructuring of the Global Forum on Transparency and Exchange of Information for Tax Purposes (GFTEI) in 2009²⁵ was a major driver of the decision of the Committee to undertake, in September 2010, a reorganisation of the structure of the CFA’s work on tax-related information exchange.²⁶ In addition to the Global Forum, this concerned, the Forum on Harmful Tax Practices (FHP) and Working Party n°8 on Tax Avoidance and Evasion as well as its Level III sub-body. Following the review, the decision was taken to:²⁷

- replace Working Party N°8 on Tax Avoidance and Evasion with a new Level II sub-body, Working Party N°10 on Exchange of Information and Tax Compliance, giving it a wider

21. [COM/ENV/EPOC/CTPA/CFA\(2009\)42](#).

22. [CTPA/CFA/M\(2010\)2](#).

23. [CTPA/CFA\(2011\)50](#).

24. [CTPA/CFA\(2005\)3](#) and [CTPA/CFA/M\(2005\)1](#).

25. Previously the OECD Global Forum on Taxation.

26. [CTPA/CFA/ACS/M\(2010\)1/CONF](#); [CTPA/CFA/NOE2/M\(2010\)2/CONF](#).

27. [CE\(2010\)13](#).

mandate than its predecessor covering the current activities of WP8 (with the exception of the work on the tax measures to counter bribery, which was transferred to the new Task Force on Tax Crimes and other Crimes), as well as the exchange of information work of both the Forum on Harmful Tax Practices and the former WP8 Tax Crimes and Money Laundering Sub-Group;

- transform the Level III Sub-Group on Tax Crimes and Money Laundering (Sub-Group of Working Party N°8) into a new Level II body, the Task Force on Tax Crimes and other Crimes (TCML), whose mandate was extended to also include the work of the former WP8 activities in the area of tax measures to counter bribery.

83. These changes, implemented in 2010, aimed to consolidate all activities relating to exchange of information within a single sub-group, in order to avoid duplication, create an integrated platform to co-ordinate the relationship between the CFA and the GFTEI and allow the CFA Members to reach a common position prior to wider discussions in the GFTEI. Another objective was to more clearly distinguish the work on tax crimes within the CFA.²⁸

84. All delegates remarked that the restructuring was necessary and that it so far has met the aforementioned objectives. The only criticism, which was raised from various sides, but in particular from WP8 delegates, relates to the process itself which was considered as too hasty and insufficiently open and transparent. Some delegates also underlined that the restructuring could have been more comprehensive, also taking in the area of harmful tax practices.

85. In January 2010, the CFA created a new working group, the Treaty Relief and Compliance Enhancement Group (TRACE Group), responsible for developing efficient treaty relief systems and identifying solutions that enhance countries' abilities to ensure proper compliance with tax obligations, from the perspective of both source and residence countries. This Group takes forward the work of the collective investment vehicles project initiated in 2006.²⁹

3.2.3 *Functioning of the Committee*

86. The way in which an OECD body organises itself, and prepares and implements its work influences its capacity to attract appropriate delegates from capitals and its ability to mobilise the expertise required to produce, in tandem with the resources available within the Secretariat, high quality products in a timely fashion. Quality³⁰ and timeliness, along with the awareness of products among potential end-users, are considered as key determinants of use and policy impact.

87. The 2008-2013 mandate of CFA describes the following responsibilities of the Committee:

- developing standards, guidelines and best practices in areas where international co-ordination is desirable and monitor the practical implementation of them and other recommendations;
- providing a forum for discussions by senior policymakers and tax administrators, and where appropriate the business community and other parts of civil society, of international and domestic tax policy and administration issues and emerging issues in a global economy which require a response from senior tax policy makers,

28. [CTPA/CFA\(2010\)59/CONF](#).

29. [CE\(2011\)1](#).

30. In terms, for instance, of analytical soundness, accuracy/reliability, practicality, policy relevance, presentation and conciseness.

- supplying OECD countries with internationally comparable tax statistics and comparisons of the major taxes used throughout the OECD area, and providing strategic analysis of important tax policy and administration issues for use in publications, briefs, and the like.

88. The CFA meets twice a year, usually for a duration of a day and half. Its bureau is composed of twelve delegates and meets three to four times a year. It plays an active role in the preparation of meetings, working in close interaction with the Secretariat.

89. CFA meetings review and elaborate work procedures, and discuss key or emerging tax related issues in parallel or ahead of dedicated projects, as well as work programme planning, co-ordination and monitoring activities (i.e. working party project updates, horizontal projects) and reviews of all outputs delivered by the sub-bodies.

90. In 2008, the Committee decided to dedicate more time to substantive issues during meetings, facilitated by increasing the use of the written procedure to consult delegates and receive approval of various documents and deliverables.

91. Despite these changes, in particular in the area of domestic tax policy reforms following the financial and economic crisis, a majority of delegates consider that there are still insufficient substantive policy discussions during CFA meetings. Furthermore, it is reported that only a small number of Members get actively engaged in these discussions. It is also considered by many that the most strategic discussions are held during the Bureau meetings and are thus not inclusive of the broader membership.

3.2.4 *Functioning of the CFA substructure*

92. Between 2005 and 2010, the substructure of the CFA was composed of the following working parties reporting directly to it:

- *Working Party n°1 on Tax Conventions and Related Questions* responsible for:
 - acting as a forum for the discussion of issues related to the negotiation, application and interpretation of tax conventions;
 - examining proposals for the modification of the OECD Model Tax Convention;
 - drafting appropriate recommendations for dealing with the issues it has examined and for periodic updates to the Model Tax Convention.
- *Working Party n°2 on Tax Policy Analysis and Tax Statistics* responsible for analysing and measuring the social and economic implications of tax policy, in particular
 - the annual publication of Revenue Statistics and taxing Wages;
 - analysing current tax policy issues;
 - providing advice and experience in tax-related issues to other parts of the OECD;
 - maintaining appropriate dissemination of the OECD Tax Database.
- *Working Party n°6 on The Taxation of Multinational Enterprises* responsible for:
 - pursuing its work on issues pertinent to transfer pricing;
 - monitoring the implementation of the 1995 Report together with the tax authorities of Member countries and the business community and with the participation of the business community and recommending to the Council to amend and update, if necessary, the 1995 Report in the light of this monitoring;

- reporting periodically to the Council on the results of its work in these matters together with any relevant proposals for improved international cooperation;
- developing its dialogue with non-Member countries, consistently with the policy of the Organisation, with the aim of assisting them to become familiar with the 1995 Report and where appropriate encourage them to associate themselves with the 1995 Report.
- *Working Party n°8 on Tax Avoidance and Evasion* which, up to the 2010 reorganisation, was responsible for:³¹
 - developing and improving the legal, practical and administrative framework to facilitate exchange of information and mutual administrative assistance while ensuring that a proper balance is maintained with respect to the protection of taxpayers' rights;
 - examining both from a domestic and international point of view the legal, policy and administrative aspects of tax avoidance and evasion;
 - contributing to the implementation and promotion of the tax dimension of the Convention on Bribery;
 - organising meetings of Tax Inspectors on subjects and at such times as agreed by the Committee on Fiscal Affairs.
- *Working Party n°9 on Consumption Taxes* responsible for:
 - providing a forum for the discussion of issues, both domestic and international, relating to consumption tax policy and administration;
 - assisting Member countries to secure appropriate and effective taxation outcomes through the development of relevant outputs that address these issues, and through the publication of comparative data and information concerning the application of consumption taxes;
 - developing a dialogue with non-OECD economies to improve the design and operation of their consumption tax systems.

93. Also reporting directly to the CFA are the following bodies:

- The *Forum on Harmful Tax Practices* responsible for:
 - implementing recommendations and guidelines for dealing with harmful tax practices;
 - reporting periodically to the Council on the result of its work in these matters together with any relevant proposals for further improvements in the co-operation to counter harmful tax practices;
 - developing its dialogue with non-member countries, consistently with the policy of the Organisation, with the aim of assisting these countries to become familiar with the analysis and conclusions of the Report (*Harmful Tax Competition: An Emerging Global Issue*) and, where appropriate, to encourage them to associate themselves with the recommendations set out in the Report.
- The *Forum on Tax Administration* providing a setting for tax administrators to conduct strategic analysis of, and propose responses to, important tax administration issues.

31. This sub-body was replaced in 2010 by Working Party N°10 on Exchange of Information and Tax Compliance [[CE\(2010\)13](#)].

- The *Board for Co-Operation with Non-Member Economies* responsible for supervising the alignment of the co-operation programme and CFA core topics.

94. In 2010, Working Party N°10 on Exchange of Information and Tax Compliance was created with responsibility for:

- Providing strategic policy, legal, administrative and technical support to develop and improve the legal, practical and administrative framework to facilitate exchange of information and mutual administrative assistance with a view to improving tax compliance while ensuring that a proper balance is maintained with respect to the protection of taxpayers' rights.
- Enhancing countries' ability to tackle tax avoidance and evasion and to counter aggressive tax planning.
- Strengthening international co-operation on exchange of information amongst tax administrations and tax policy makers.

95. These bodies report to the CFA through presentations during meetings and via written reports. In order to allow more time for discussions among delegates, the presentation of working party progress reports is done by the CFA Deputy-Chair. The working party Chairs or delegates intervene directly in cases of a specific issue being dealt with by the CFA.

96. The Joint Meetings of Tax and Environment Experts meets annually, bringing together delegates from CFA's Working Party N°2 on Tax Policy Analysis and Tax Statistics and the Working Party on National Environmental Policy through a back-to-back session. The mandate of the JMT&E, which is reviewed every two years by its two parent committees, indicates that a report will be made on an annual basis, by the Joint Meetings, including on discussions of policy options, and transmitted to the CFA and EPOC. Meeting summaries indicate that reporting and discussions have taken place in the CFA, which has not been the case in EPOC since 2006.³²

97. Most of the CFA's Level II sub-bodies have their own sub-bodies to which they delegate aspects of their work, while also relying on project-specific steering groups, often temporary in nature, to undertake tightly defined tasks within a pre-established timeframe.

98. According to meeting summaries, some delegates raised the issue that increasing recourse to sub-groups, including joint sub-groups, made consultations and reporting all the more important since these bodies for the most part are composed of a small number of Members. However, when reporting to the CFA was adequate, delegates considered the use of small task teams to be very effective, allowing for greater involvement of delegates and experts in advancing the Committee's substantive work. Over the review period, WP6, WP9 and WP10 in particular, have taken this approach.

99. Relationships between working parties are largely maintained via the Secretariat upon which they rely to access information on related work conducted elsewhere in the substructure. The most formal and structured exception to this takes place in the area of international tax treaties. For example, the OECD Model Tax Convention on Income and on Capital (MTC), which is primarily under the responsibility of WP1, also includes provisions on business profits taxing and permanent establishments (respectively Article 7 and Article 5 of the Convention). Several joint groups have been set up to deal with these CFA rules and standards interdependencies, for instance the Joint Drafting Group for Working Parties N°1 and

32. See forthcoming EPOC IDE Report, [C\(2012\)14](#).

N°6 on Attribution of Profits to Permanent Establishments, which operated from 2005 to 2010, and the Joint WP1-WP6 Working Group on Business Restructurings from 2006 to 2008.

100. Another rationale for intra-committee linkages lies in the interactions between the respective policy and administrative aspects of international taxation and it is in this context that delegates emphasised the importance of the dialogue between administrators and policy-makers for more effective tax-policy and its implementation. An example of this is counteracting tax evasion, which requires looking both at the policy and administrative side, thus drawing on the expertise of Working Party N°8, the Forum on Tax Administration and the Forum on Harmful Tax Practices.³³ Apart from some limited co-operative initiatives, such as the study on high net worth individuals with WP8, the FTA is viewed by several delegates as interacting insufficiently with other working parties. The FTA has for instance worked on practical aspects of transfer pricing without calling upon the expertise available in WP6, the CFA body primarily in charge of this area. Although the FTA's particular position in the Committee has been discussed several times in the CFA Bureau, which in 2010 organised a dedicated meeting with the FTA Bureau, no satisfactory solution that would reconcile both the need to better integrate the FTA in the committee structure and the concerns of FTA Commissioners has yet been found.

3.2.5 *Global relations activities*

101. The capacity of a committee to have an impact outside the OECD is to some degree linked to the extent to which its global relations activities promote the diffusion of know-how, practices, etc. to non-Members. It can also be the result of the involvement of non-Members in the work of a committee, either through regular or *ad hoc* observership, which allows products to take into account the needs of developing countries. In some cases, participation in the Accession and Enhanced Engagement processes, and/or the adherence of non-Members to a specific OECD instrument provides a more direct channel through which impact may occur.

102. The importance for the OECD to be addressing non-Members through the CFA's work has, since the 1990s, been formally recognised and the 2008 revision of its mandate further emphasised this, stating that the Committee aimed *to enable OECD and non-OECD governments to improve the design and operation of their national tax systems, to promote co-operation and co-ordination among them in the area of taxation and to reduce tax barriers to international trade and investment.*³⁴ In order to address this objective, the CFA was to *strengthen policy dialogue with non-OECD economies in order to increase their awareness and use of the Committee's standards, guidelines and to explore together the identification of good practices.*³⁵

103. It is against this backdrop that the CFA has conducted longstanding and comprehensive global relations activities. Initially in charge of overseeing the OECD Multilateral Tax Centres and implementing the Global Relations Programme, the Board for Co-operation with Non-OECD Economies (BCNOE) has developed its role significantly over the period of the review, as it is currently responsible for a series more than 70 events, including training sessions³⁶ and seminars with non-Members.³⁷ In 2007, the CFA handed the Board the responsibility for developing and implementing the Council resolutions on enlargement and

33. [CTPA/CFA/M\(2008\)2/REV1.](#)

34. [C\(2008\)147.](#)

35. *Ibid.*

36. By way of an example of the results of outreach programme, over 36,000 Chinese officials have been trained to date.

37. [CTPA/CFA/BCN\(2008\)9/CONF.](#)

enhanced engagement.³⁸ Its role has evolved further as it is now responsible for the strategy and oversight of all aspects of the CFA's engagement with non-Members, including, since 2010, the tax aspects of the joint CFA-DAC programme on tax and development.³⁹ The BCNOE has designed a global relations⁴⁰ and Enhanced Engagement strategy⁴¹ intended to be updated on a regular basis.

104. The mandate of the BCNOE has however remained unchanged since its creation in 2001, still referring principally to its responsibility for *supervising the alignment of the co-operation programme and CFA core topics*. A few delegates have expressed concerns regarding what they see as the BCNOE unclear mission and its overlap with the role of the CFA Bureau which, according to them, also covers the steering of relations with non-Members. Also of note in this context is the low level of delegate participation in the BCNOE, especially over the years 2007-09.

105. The CFA has several tools to engage with non-Member countries:

- the aforementioned Global Relations Programme;
- the Observer and Full participant status;
- the Part I global forums;
- Part II Programmes (e.g. Fiscal Network, GFTEI).
- the regional tax initiatives;
- Inclusion of non-Member country positions in the OECD Model Tax Convention.

106. The Global Relations Programme focuses on developing a global dialogue on tax issues through the holding of a substantial number of events per year on international tax issues, tax policy and tax administration reflecting the CFA's work programme.⁴² Some of these policy dialogues or training events are held at one of the OECD Multilateral Tax Centres,⁴³ while others, often more specific to particular country needs, are hosted by non-Members. Some events may also be held in the framework of regional programmes, or take place under the auspices of national tax training entities and other international organisations. The programme is evaluated annually by the Independent Evaluation Service (IES).⁴⁴ These annual evaluations have concluded that the Programme is a success, with event participants reporting learning gains that were significant as well as relevant and applicable to their work.⁴⁵ In accordance with these results, the interviewed non-Members unanimously underlined the "tremendous methodological

38. [CTPA/CFA/BCN\(2008\)9/CONF](#).

39. Committee on Fiscal Affairs Overview, June 2011, CTPA.

40. [CTPA/CFA/BCN\(2010\)4/CONF](#).

41. [CTPA/CFA/ACS\(2010\)2/REV1/CONF](#), revised in 2011 in [CTPA/CFA/ACS\(2011\)21/CONF](#).

42. For example, over 3500 non-Member tax officials attended some 80 events in 2010 (Global relations 2010/2011 Annual Report, CTPA, 2011).

43. The Multilateral Tax Centres (MTC) have since 1991 been permanent venues where regional workshops are held to support exchange of experience between transition country tax officials and experts from OECD Member countries. There are MTCs in Ankara, Budapest, Vienna and Korea (see http://www.oecd.org/document/9/0,2340,en_2649_34897_1909385_1_1_1_1,00.html).

44. The IES consists of the Canada Revenue Agency and the UK Inland Revenue.

45. The 2008, 2009 and 2010 evaluation results are presented respectively in [CTPA/CFA/BCN\(2009\)4/CONF](#), [CTPA/CFA/BCN\(2010\)2/CONF](#) and in the 2010/2011 Global Relations programme Annual Report (Global relations 2010/2011 Annual Report, CTPA, 2011).

support” and the “high level of expertise of those contributing to the events”, as well as the “quality of exchanges” between the attendees. The delegates involved also stressed the benefits on their side, particularly that participating in these events strengthened their competencies and enabled them to gain a better understanding of non-Member specific needs and constraints.

107. The more recent evolutions that the Global Relations Programme has undergone include building upon the interactions with non-Members during the trainings and seminars, consultations through the Advisory Group for Co-operation with non-OECD Economies⁴⁶ - which has a majority of members from Non-OECD countries - to more explicitly consult them when developing OECD instruments. For instance, annual meetings between the WP6 Bureau and senior officials from key non-Member countries have been held in order to obtain their perspectives on transfer pricing and feed their views into the WP6 work on the simplification of the Transfer Pricing Guidelines.⁴⁷ This more inclusive approach is also exemplified in the increasing focus on development objectives and the stronger integration of tax capacity building initiatives into the programme as recommended by the Task Force on Tax and Development.⁴⁸

108. The publications of the updated Model Tax Convention also incorporate a separate section on the positions of non-Member countries on the various articles of the Convention. This exercise, which involves a lot of interaction between these countries and the Secretariat, helps to strengthen the understanding of the provisions.

109. The CFA also engaged with non-Members through their participation in meetings as either regular or *ad hoc* observers. In the case of regular observerships, current practice is to grant this status to non-Members for the Committee as a whole, including all its subsidiary bodies. In 2010, the Committee had five regular observers attending meetings across much of the Committee structure: Argentina, China, India, Russia and South Africa. Brazil, Malaysia and Colombia have been *ad hoc* observer in some working party meetings

110. Despite significant differences in the degree of country participation and involvement in meetings, observership is considered by most delegates as being an appropriate instrument to support exchanges with key non-Members and bring them closer to OECD activities and standards.

111. The Committee has recently sent clear signals that it intends to foster greater involvement of non-Members in its decision-making processes. For instance, China is Vice-Chair in WP10 and Malaysia has been co-Chair in the Advisory Group for Co-operation with NOEs since 2011. Similarly, South Africa has co-chaired the Informal Task Force on Tax and Development since its first meeting in 2010.⁴⁹

112. In the framework of the Enhanced Engagement strategy developed by the BCNOE in accordance with Council’s guidelines to Committees,⁵⁰ the CFA examined the possibility of deepening its relationship with the enhanced engagement countries by moving from one largely based on regular observership to one based on full participation. The granting of this status involves compliance with the Committee’s six “core principles” relating to tax treaties, tax policy analysis and statistics, transfer pricing, exchange of

46. The Advisory Group for Co-operation with non-OECD Economies is a consultative group that reports to the BCNOE. It allows for a dialogue between Members and non-Members with a view to collectively provide guidance on the Global Relations Programme. Ten OECD Members and thirteen non-Members participate in this group.

47. [CTPA/CFA/ACS\(2011\)21/CONF.](#)

48. [CTPA/CFA/BCN\(2011\)6/CONF.](#)

49. South Africa also chaired the Forum on Tax Administration for two years in 2005-06.

50. [C\(2010\)100/FINAL.](#)

information, harmful tax practices and consumption taxes.⁵¹ The working parties are in charge of reviewing the extent to which potential full participants broadly endorse these core principles. When the result of this review is positive and the invited country makes a political commitment toward full participation, the CFA would provide support to the country in order to reduce the identified gaps.⁵²

113. Although the results of the preliminary reviews are positive to date, the non-Members interviewed stressed the significant means and resources necessary to comply with CFA standards and rules given the range of the Committee's instruments. Several delegates also observed that there were limited incentives for non-Members to make the transition from observer to full participant. Acknowledging this challenge and the increasing involvement of India in the Committee, a 3-year partnership programme consisting of high-level policy and technical events was signed in 2011. This co-operation programme is intended to facilitate India's further involvement in the CFA, with the aim of eventually leading to full participation.⁵³ Delegates suggest that this encouraging approach could be extended to other EE countries that have demonstrated interest in the Committee's activities.

114. CFA also aims to develop its relationships with non-Members through the support to regional initiatives. There are three such regional tax programmes to promote dialogue on fiscal issues among regional senior tax policy officials and OECD fiscal policymakers: MENA in the Middle East North Africa region, SEE in South East Europe and, since 2010, LAC in Latin American and Caribbean countries.

115. Last but not least, the CFA has also reached out to non-Members via the Global Forum on Taxation. The Forum, prior to 2009, was composed of two different annual international meetings with one focusing on transparency and exchange of information for tax purposes to support and monitor the implementation of the international standards in this area, and a second focusing on improving dialogue with non-Members on tax treaties and transfer pricing. The external review of OECD Global Forums in 2007 and the institutional changes resulting from it provided the opportunity for significant changes to be made in this area and led to the creation of two distinct structures:

- The Global Forum on Tax Treaties and Transfer Pricing, created by the CFA to function under its direction. Given the specificities of the two areas, the CFA decided in 2011 to hold separate annual events on tax treaties and transfer pricing under the auspices of this Global Forum.⁵⁴
- The Global Forum on Transparency and Exchange of Information for Tax Purposes (GFTEI), created by Council as a Part II programme and served by a dedicated self standing secretariat based in the CTP.

116. Also noteworthy are the CFA discussions held in 2011 on the creation of a potential global forum on VAT.⁵⁵

117. The decision to create the GFTEI took place against the backdrop of the exchange of tax-related information becoming a top political priority, the G20's call for a strong multilateral approach to tax information exchange and its designation of the GFTEI to be the relevant international platform.

51. [CTPA/CFA\(2010\)70/CONF.](#)

52. [CTPA/CFA/BCN\(2011\)2/CONF.](#)

53. [CTPA/CFA/BCN\(2011\)1/CONF.](#)

54. [CTPA/CFA\(2011\)12/CONF.](#)

55. [CTPA/CFA/NOE2/M\(2011\)2/CONF.](#)

118. Discussions were held in the CFA on the restructuring of the Global Forum, its country and thematic coverage, as well as its procedures to peer review and the adoption of relevant OECD standards by participants.⁵⁶ The relationship between the CFA and the new Global Forum was also the object of discussions. Further to these, a proposition was made and adopted in September 2009 during the Global Forum meeting in Mexico on the institutional and budgetary arrangements to be put in place and the Forum's mandate, which was to be on a three year renewable basis and to focus on peer reviewing the implementation of international standards.⁵⁷ The membership of the Forum, in addition to OECD countries, is open to all G20 economies, all the financial centres which participated in the previous Global Forum, countries identified by the Global Forum as relevant to its work and, as requested by the G20, developing countries in general.

119. In 2011, the GFTEI reached 105 Members, including the five Enhanced Engagement countries, and is continuing to grow. It is considered by all the interviewed delegates as a major success to date. Key to this success is the trustful relationship established between the WP10 and the GFTEI, which to date can be summarised as follows: WP10 designs and updates advanced tax information exchange rules and, when requested, provides technical guidance to GFTEI in the implementation and interpretation of the rules endorsed by the Global Fund members. Given that the rules mainly originate from past CFA work, the GFTEI has already ensured worldwide dissemination of OECD instruments. According to most delegates, this relationship has so far allowed solving the complex trade-off between the protection of OECD leadership in standard-setting and the global adoption of these standards by non-Members.

120. However, as the WP10 and GFTEI were only recently created, there is a continuing need to closely monitor the effect of the GFTEI on the diffusion of OECD standards. In the short term, the alleged success of the GFTEI is still to be confirmed when its more demanding phase 2 starts. In the mid to long term, some delegates are concerned that the GFTEI could "freeze" the standards as they are and hamper their evolution towards more elaborated rules currently developed by OECD through the WP10, in particular those based on automatic exchange of information. The already mentioned election of China as Vice-Chair of WP10 is perceived as a strong signal regarding the willingness of the OECD to also include non-Members in the development of new standards which might, in the future, be disseminated beyond the OECD Members through the GFTEI.

3.2.6 *Interactions within the OECD structure*

121. The capacity of an OECD body to draw on expertise relating to other policy fields and conversely to contribute to work conducted by other Committees can enrich the quality of a project or workstream with a strong cross-cutting dimension. More broadly, it can also promote policy coherence.

122. CFA is mandated to monitor and co-ordinate work undertaken by the Organisation in related fields and shall co-operate with relevant OECD bodies. It is expected to work jointly with other committees carrying out projects having tax policy aspects, in particular with the Economic and Development Review Committee; the Environment Policy Committee; the Employment, Labour and Social Affairs Committee; the Development Assistance Committee; and the Working Group on Bribery.⁵⁸

56. [CTPA/CFA/ACS/M\(2009\)2/CONF](#); [CTPA/CFA/FHP/NOE2/M\(2009\)1/CONF](#).

57. Article 26 of the OECD Model Tax Convention and the 2002 OECD Model Agreement on Exchange of Information on Tax Matters.

58. [C\(2008\)147](#).

123. The most institutionalised horizontal working arrangements take place via the *Joint Meetings of Tax and Environment Experts* which formally reports to both the CFA, through WP2, and the Environment Policy Committee. This body is responsible for:

- monitoring and analysing existing environmentally related taxes, including collecting and analysing data within a common statistical framework;
- assessing the environmental effectiveness of relevant taxes and reviewing practical implementation issues, drawing on experiences in Member countries;
- examining further issues arising from the integration of environmental concerns into the design of tax systems;
- providing input into the OECD Sustainable Development work and to follow-up work to this project involving consideration of tax and environment issues;
- monitoring developments and contributing, where appropriate, to tax aspects of the follow-up to the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

124. The Joint Meetings brings together delegates from the CFA's Working Party N°2 on Tax Policy Analysis and Tax Statistics and the Working Party on National Environmental Policy through an annual back-to-back session. Participation of delegates from capitals in this body, which tends to be strongest from the tax policy side, has increased by over 20% since 2006. Meeting summaries indicate that the results of the Joint Meetings tend to have a significantly higher profile in the CFA than EPOC.⁵⁹

125. The CFA has also made other inputs into the work of EPOC, for example into discussions on climate change at its 2008 meeting at Ministerial Level.

126. As for contributing to work in other policy fields, the CFA has collaborated with a range of other committees, notably:

- the Development Assistance Committee via a joint meeting in 2010 during which the mandate of the previously mentioned OECD Informal Task Force on Tax and Development was agreed upon by the two committees;
- the provision of systematic inputs into EDRC country surveys;
- the Economic Policy Committee, directly through a joint meeting with its Working Party N°1 in 2008, as well as through contributions to joint projects (*e.g.* 'Tax and economic growth' from 2006 to 2008) and chapters in publications (*e.g.* the 2009 edition of *Going for Growth*), as well as less directly through other initiatives such as the Secretariat level Fiscal Monitoring Group;
- the Investment Committee (Working Group on Bribery) in the framework of the development of the 2009 Recommendation of the Council on Tax Measures for Further Combating Bribery of Foreign Public Officials in International Business Transactions, as well as through contributions to the MENA-OECD and SEE Investment Programmes, and the update of the Guidelines for Multinational Enterprises;
- the Committee for Employment, Labour and Social Affairs, for example through comments on the third edition of Net Social Expenditure.

59. See forthcoming EPOC IDE Report, [C\(2012\)14](#).

127. The CFA has also contributed to the Green Growth, Skills and Innovation Strategies, as well as the *Making Reform Happen* project.

128. Much of the horizontal work that takes place requires inputs from Working Party N°2 on Tax Policy Analysis and Statistics. In this context, discussions in the CFA in 2008 indicated that *the growing amount of tax-related work across the Organisation was leading to increased requests from other committees for input from WP2. This was putting pressure on the limited resources of WP2 and leading to delays in its core tax policy work.*⁶⁰ Against this backdrop, it was concluded that the Committee needed to adopt a more strategic and pro-active approach when dealing with these issues. It is not clear whether any such change was initiated, while several delegates indicated that although they are informed by the Secretariat before any horizontal work is undertaken, the consultation and decision processes could be improved given the pressure it places on WP2 resources.

129. Furthermore, it was observed in the aforementioned CFA meeting in 2008 that there is an increasing amount of other areas of work in the OECD that have a tax dimension and on which there is no CFA input, which results a lack of a consistent message on tax issues from the Organisation. Most delegates suggested that despite the increasing pervasive nature of tax policy issues within the OECD in the aftermath of the financial and economic crisis, the situation has improved significantly since the Committee is now informed about and consulted on most tax-related work performed in other policy areas. It is however stated that the information on related work and requests for contributions from other sub-bodies to CFA working parties, WP2 in particular, are sometimes made too late to allow proper decision-making and monitoring within the concerned CFA working party.

3.2.7 *Interactions with other international organisations and stakeholders*

130. Co-ordination with other international organisations can help avoid unnecessary duplication, while the capacity of a Committee to draw on expertise and resources available within other international organisations can raise the quality of a project or workstream and/or enable it to be produced more quickly. Similarly, the involvement of other stakeholder bodies can enrich the quality of a project and/or pave the way for broader acceptance of findings, recommendations, etc. Other international organisations may also be direct users of products and know-how acquired from their participation in a committee or channels through which these can find their way to non-Members. Consequently, the potential for having an impact beyond OECD Members is multiplied.

131. The CFA's 2008-2013 mandate stipulates that the Committee should monitor and contribute to relevant activities carried out in other international bodies. In particular, it should continue to participate in the UN Committee of Experts on International Cooperation in Tax Matters and will continue its co-operation with the Financial Action Task Force on issues of mutual interest. The dual aim of this collaboration is to co-ordinate and undertake joint technical co-operation on taxation issues and to share information to avoid duplication of effort and build on respective work.⁶¹

132. In this context, the International Monetary Fund (IMF) and the World Bank are observers in the CFA and three of its sub-bodies, namely Working Parties N° 1 and 2 and the Forum on Harmful Tax Practices. Furthermore, the IMF is also an observer in the Forum on Tax Administration along with the Inter-American Center of Tax Administrators (CIAT) and the Intra-European Organisation of Tax Administrations (IOTA).

60. [CTPA/CFA/M\(2008\)2/REV1](#).

61. [CTPA/CFA\(2005\)43/CONF](#).

133. The CFA also interacts with international organisations through a number of specialised international networks and groups presented below:

- *The International Tax Dialogue (ITD)*, for which the CFA currently provides the secretariat, is a collaborative arrangement which in addition to the OECD⁶² involves the Inter-American Development Bank, the IMF and the World Bank (through its International Finance Corporation (IFC)), Inter-American Center of Tax Administrations (CIAT), along with the EU and the UK Department for International Development (DFID), in co-operation with the UN Committee of Experts on International Cooperation in Tax Matters.⁶³ This structure aims to encourage and facilitate discussions and exchanges on tax matters among national tax officials, international organisations and a range of other key stakeholders. The work of ITD is disseminated to the member states of the participating organisations by the means of global meetings (four have been held to date), regular meetings and a multilingual website.⁶⁴ The Secretariat has underlined that the practical work with the EU, IMF and the World Bank within ITD has allowed for a level of co-operation in tax matters above what would be possible if these organisations only were observers in the Committee.
- The *OECD-Council of Europe Convention on Mutual Administrative Assistance in Tax Matters*, for which the OECD provides technical support to its Co-ordinating body⁶⁵ was developed jointly by the Council of Europe and the OECD in 1988 and promotes a variety of international co-operation activities from exchange of information to the recovery of foreign tax claims with the aim of ensuring the better operation of national tax laws, in particular with a view to combating tax avoidance and evasion.⁶⁶ Further to the G20 call for developing a stronger multilateral approach to exchange of information, the 1988 convention was amended in 2010. The OECD has, especially through the CFA, provided a platform for the drafting of the protocol amending the Convention, which entered into force on 1 June 2011.⁶⁷ In 2011, at the Cannes G20 Summit, all remaining G20 countries signed or committed to sign (China, India and Saudi Arabia signed letters of intent to sign) the Convention. The Convention is a self standing convention with its Co-ordinating Body based at the OECD.
- The *Financial Action Task Force (FATF)*, an inter-governmental body created in 1989 in which the OECD has observer status and whose secretariat it hosts. The purpose of this body is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing. The CFA, in particular through WP8 until 2010, and through the Task Force on Tax Crime and other Crime since the restructuring, has been working with the FATF to improve international and domestic cooperation between tax and anti-money laundering authorities as a way of enhancing governments' ability to combat these activities.⁶⁸ Improving cooperation with the FATF was

62. The OECD was one of the three founding members of ITD, created in 2002.

63. The ITD decided in January 2011 to encourage the United Nations, Inter-American Centre of Tax Administrations (CIAT) and African Tax Administration Forum (ATAF) to join the network. There is also a close collaboration between the ITD and the International Bureau of Fiscal Documentation (IBFD). See <http://www.itdweb.org/pages/AboutUs.aspx>

64. <http://www.itdweb.org>.

65. OECD's current Tax Agenda, April 2011.

66. http://www.oecd.org/document/57/0,3746,en_2649_33767_2489998_1_1_1_1,00.html

67. [CTPA/CFA/M\(2010\)1](http://www.oecd.org/ctp/cfa/m(2010)1).

68. http://www.fatf-gafi.org/document/9/0,3746,en_32250379_32236869_35809865_1_1_1_1,00.html#OECD

made a priority in 2006⁶⁹ while in 2009 an interest in further developing cooperation between the two bodies specifically in the area of tax evasion was expressed in the CFA⁷⁰. In 2010, work in the area of tax crimes has been strengthened in the context of the Oslo Dialogue.

134. Delegates view very positively the role played by the OECD in supporting the administration of these organisations and detailed updates on their latest development are provided by the Secretariat in CFA and working party meetings, which contribute to a better co-ordination with these organisations.

135. The *UN Committee of Experts on International Cooperation in Tax Matters* is a subsidiary body of the UN Economic and Social Council (ECOSOC), comprises 25 members and is responsible for keeping under review and updating, as necessary, the United Nations Model Double Taxation Convention between Developed and Developing Countries and the Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries and other issues of particular relevance to Lead Developed Countries.⁷¹ Several CFA delegates, along with the Secretariat, participate in the UN Committee, whose new Chair is also the Chair of WP10.⁷² These cross-participations have allowed strong connections between the two committees, resulting in the UN instruments being largely based on CFA standards and rules. However, most delegates expressed strong concerns regarding potential future deviations between the two committees' standards, in particular in the area of transfer pricing. Although almost all delegates consider the co-operation between the two Committees as an opportunity for the UN to access OECD expertise in tax matters and for the OECD to strengthen the dialogue on tax treaties with non-Members, they view unfavourably the current proposal to upgrade the UN Committee to a full UN Committee status since they see it as resulting in the duplication of work and standards.

136. The Committee also has relations with other international organisations such as the International Fiscal Association (IFA) via the organisation of joint events, for instance the IFA-OECD seminar within the annual IFA conference⁷³ or the International Tax Conference in India in January 2008 to mark the accession of India as observer to the CFA.⁷⁴ The Committee has also worked with the World Customs Organisation (WCO) the World Trade Organisation (WTO), regional development banks and other regional groupings.

137. Scope for revitalising co-operation with the IMF and Eurostat in the area of the reliability of national tax statistics has been highlighted both in the CFA⁷⁵ and during interviews.

138. As for other stakeholders, the 2008-2013 CFA mandate states that *the Committee should continue to co-operate closely with BIAC and other major stakeholders*.

139. Depending on the level of interaction and the type of issues, the CFA interacts with BIAC mainly through its working parties, especially WP6, WP9 and FTA. BIAC delegates, belonging to the BIAC Tax Committee, have participated in some CFA sub-body meetings. In the case of WP6, the bi-annual meetings

69. [CTPA/CFA/M\(2006\)1](#).

70. [CTPA/CFA/M\(2009\)1](#).

71. <http://www.un.org/esa/ffd/tax/>

72. [CTPA/CFA/M\(2010\)2](#).

73. 74th session of the CFA meeting ([CTPA/CFA/M\(2008\)1](#)).

74. At the Crossroads of Tax Co-operation: IFA (India) - OECD International Tax Conference, <http://www.oecd.org/dataoecd/6/6/39969689.pdf>.

75. [CTPA/CFA/M\(2008\)1](#).

with BIAC, considered too formal, have been replaced by project-specific consultations which take the form of written comments on a proposal, followed by focused meetings with all the stakeholders who provide comments. Other consultations of the business community over the review period have been undertaken in various areas such as the updating of the OECD Guidelines for Multinational Enterprises, the engagement with non-Members and the application of consumption taxes.

140. The participation of BIAC, and more generally of representatives of the business community (including finance and consulting firms), in the formation of advisory groups for business allowed them to provide inputs on specific topics (e.g. revision of the Cross-border investment (CIV) implementation package, which has now become the TRACE Group, development of guidelines on how to avoid double taxation with respect to VAT/GST) or the participation of business representatives in public-private task teams (e.g. the WP9 TAG and its three task teams).⁷⁶

141. Since most of the policy issues addressed by the Committee have a direct impact on multinational companies, interest from the business community in its activities is high. At the same time, delegates have, during the review period, raised two particular issues in this regard:

- despite the importance of consulting with the business community on the Committee's work, there is also a need for sessions when government-to-government discussions can take place without the presence of the business community;⁷⁷
- the need for a CFA strategic view and specific guidelines on the acceptance of financial contributions from the business community (i.e. in addition to the OECD-wide existing guidance).⁷⁸

142. However, delegates' general appreciation of the relationships with business stakeholders is positive, especially with regard to the focused and technical working arrangements in small groups as they allow for more trustful and focused interactions between delegates and business representatives.

143. Despite growing interest of the civil society for tax policy issues in the aftermath of the crisis, the Committee has very limited relationships with TUAC and NGOs beside their participation in the Informal Task Force on Tax and Development.

3.2.8 *Resources*

144. Part I budgeted resources allocated to CFA in the Output Areas for which it is accountable has increased by 3% since 2005 in nominal terms to reach 5368K EUR in 2010. Given the change of structure of Output Areas, a comparison of Output Area is only possible from 2005 to 2008. Output Area 3.3.1 increased by 67% between 2005 and 2008, whereas the other two Output Areas (3.3.2 and 4.3.3) decreased by around 2% and 15% respectively (see Table 55).

76. [CTPA/CFA/WP9/M\(2010\)2](#).

77. [CTPA/CFA/M\(2009\)1](#).

78. [CTPA/CFA/M\(2006\)2](#) and CTPA-CFA-M(2007)1.

Table 5 Financial data on Output Areas 3.3.1, 3.3.2 and 4.4.3

Output Area	Year	Part I Budgeted Resources	Voluntary Contributions	Total	Share of VCs
		(K EUR)	(K EUR)	(K EUR)	(%)
3.3.1	2005	2974	1744	4718	37%
	2006	3034	1400	4434	32%
	2007	3349	1564	4913	32%
	2008	4966	3041	8007	38%
	<i>Change 2005-8</i>	<i>67.0%</i>			
	2009	5162	4034	9196	44%
	2010	5368	3912	9280	42%
3.3.2	2005	1684	469	2153	22%
	2006	1713	518	2231	23%
	2007	1651	867	2518	34%
	2008	1655	903	2558	35%
	<i>Change 2005-8</i>	<i>-1.7%</i>			
	2009				
	2010				
4.4.3	2005	535	466	1001	47%
	2006	515	676	1191	57%
	2007	446	546	992	55%
	2008	456	560	1016	55%
	<i>Change 2005-8</i>	<i>-14.8%</i>			
	2009				
	2010				
Total	2005	5193	2679	7872	34%
	2006	5262	2594	7856	33%
	2007	5446	2977	8423	35%
	2008	7077	4504	11581	39%
	2009	5162	4034	9196	44%
	2010	5368	3912	9280	42%
	<i>Change 2005-10</i>	<i>3.0%</i>			

Source: PWB.

145. Voluntary contributions have significantly increased over the period, allowing the total amount of funds available to the CFA to increase by 18% between 2005 and 2010. The increase of VC is especially strong in Output Areas 3.3.1 and 3.3.2, which between 2005 and 2008 experienced an increase respectively of 74% and 93%. By contrast, the tax administration Output Area increased by 20% over the same period. These changes have led to an increased share of VC funding in the Committee's total funding, reaching 42% in 2010 compared to 34% in 2005.

146. The number of Part I Staff has also been increasing over the review period, while the increase in voluntary contributions is mirrored by the rise in the number of projects posts.

Table 6 Human resource inputs

Year	2005	2006	2007	2008	2009	2010
Posts (FTEs)*						
Part I Staff Allocation	24.0	25.0	26.0	29.0	31.5	29.9
<i>of which A posts</i>	20.0	19.0	21.0	24.0	22.9	21.4
Project posts	13.0	16.0	16.0	19.0	17.8	19.7
<i>of which A posts</i>	8.0	10.0	12.0	13.0	7.8	9.5

Source: CTP

*Note: posts at A6 and above and B3 and below are not included.

3.2.9 Quality of Output Results

147. The results of the questionnaire survey in respect to the quality of Output Results produced in the 2005-08 period are presented in Table 7, while results of the PIR survey covering 2009 and 2010 Output Results figure in Table 8. Quantitative results are summarised in Table 9.⁷⁹

148. Results are presented in the form of an indicator of the percentage of Members assessing Output Results as being of *high* or *very high* quality. Based on the assumption that the work of the OECD should be widely considered by Members as being of good quality, a positive result for an Output Result is judged as two-thirds or more of Members' policymakers make this response. Qualitative data, where available, is presented in the form of comments and observations as a complement to the indicators.⁸⁰

149. All but two products completed in the 2005 to 2010 period are judged as being of either *high* or *very high* quality by policymakers in a minimum of two-thirds of Members. Four product groups particularly stand out as they are highly rated by the totality of Members responding to the survey for the biennium 2009/10, relating respectively to the update of the two main CFA instruments, the provision of statistics and the analytical tax policy work:

- Statistical publications on taxes and revenue and update of the OECD tax database;
- Updates and Extension of Transfer Pricing Guidelines;
- Updates and extension of the Model Tax Convention;
- Publications on topical tax policy issues

150. By contrast, the International Tax Dialogue Web-Site and annual report on the outcomes of the International Tax Dialogue are viewed by almost one-half of Members as having at best a *medium* level of quality. The products in the area of tax administration (including Comparative Information Series) fell slightly below the performance benchmark.

151. The positive appreciation of the overall quality of the Committee's work by Members is largely echoed by its broader stakeholders.

79. In the synthesis table, recurring Output Results are grouped, as are Output Results produced over a number of years that are closely related. They are listed in descending order according to the most recent quality rating, with those exceeding the quality threshold (in at least one year for recurring or multi-annual groupings) being marked in bold.

80. Non-response rates of more than 33% are indicated.

Table 7 Quality of products in area of Output Group 3.3 – International Taxation - and Output Area 4.3.3 – Tax Administration (2005-08)

Product groups	Year Main contributors Product type	% Members responding High or Very High Quality	Observations
<p>Model Tax Convention on Income and Capital, updates and related reports</p> <ul style="list-style-type: none"> • Additions and changes <ul style="list-style-type: none"> ○ Article 7 (Business Profits) ○ Commentary on Article 15 (Income from employment) ○ Application of Article 17 (Artistes and Sportsmen) ○ Application and Interpretation of Article 24 (Non-Discrimination) ○ Commentary on Article 25 (Mutual agreement procedure) • Reports and discussion drafts <ul style="list-style-type: none"> ○ Tax Treaty Issues Related to REITs (2007) ○ Tax Treaty Treatment of Services (2007) ○ Improving Mechanisms for Resolution of Tax Treaty Disputes (2006) • Global Forum on Tax Treaties and Transfer Pricing (2005) 	<p>2005-08 CFA, WP1, WP6 Guidelines, Declarations (Soft Law)</p>	<p>92%</p>	<p>As regards quality, the specific OECD products are both practical and relevant as they adequately address current indirect tax challenges arisen in the context of a globalised economy (i.e. e-commerce and increased cross – border trade of intangibles) (Greece).</p>
<p>International VAT/GST Guidelines and related elements and products including</p> <ul style="list-style-type: none"> • Guidelines on Customer Location and Exceptions • Guidelines on Customer Location and Place of Performance • Guidelines on Mixed Supplies • Guidelines on Time of Taxation • Tax Guidance Series papers <ul style="list-style-type: none"> ○ Paper N° 001: Electronic Commerce - Commentary on Place of Consumption for Business to Business Supplies (Business Presence) ○ Paper N° 002: Electronic Commerce - Simplified Registration Guidance ○ Paper N° 003: Verification of Customer Status and Jurisdiction 	<p>2007-08 CFA, WP9 Guidelines, Declarations (Soft Law)</p>	<p>82%</p>	<p>There is a good awareness and appreciation of the quality of the products (Ireland).</p> <p>The work is important and of excellent quality but the impact is restrained due to our position as EU-member and the EU directives (Netherlands).</p> <p>Non-response rate of 37%</p>
<p>Instruments and products in the area of transfer pricing</p> <ul style="list-style-type: none"> • 2008 Recommendation of the Council on Attribution of Profits to Permanent Establishments • Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and updates, including revisions to <ul style="list-style-type: none"> ○ Chapter I: The Arm's Length Principle ○ Chapter II: Transfer Pricing Methods ○ Chapter III: Comparability Analysis ○ Chapter IV: Administrative Approaches to Avoiding and 	<p>2005-08 CFA, WP6 Guidelines, Declarations (Soft Law)</p>	<p>96%</p>	

Product groups	Year Main contributors Product type	% Members responding High or Very High Quality	Observations
<ul style="list-style-type: none"> Resolving Transfer Pricing Disputes • Reports and discussion papers on <ul style="list-style-type: none"> ○ Transactional Profit Methods ○ Attribution of Profits to Permanent Establishments ○ Transfer Pricing Aspects of Business Restructurings ○ Comparability and Profit Methods for Transfer Pricing Purposes 			
<p>Products in the area of consumption taxes</p> <ul style="list-style-type: none"> • OECD International VAT/GST Guidelines on applying VAT/GST to cross-border trade in services and intangibles <ul style="list-style-type: none"> ○ Framework for development of Guidelines ○ Basic principles on place of taxation & VAT neutrality ○ Draft Guidelines on place of taxation • Publication of <i>Consumption Tax Trends</i> (ed. 2006/2008) • Secure <i>Exchange</i> of Consumption Tax Information System (“SECTIS”) 	2005-2008 CFA, WP9, BCNOE Guidelines, Declarations (Soft Law) Data/Models/ Indicators, Statistical reports	79%	
<p>Statistical products on taxes and revenue</p> <ul style="list-style-type: none"> • Revenue Statistics 1965-2004/05/06/07/08 • Taxing Wages 2003/04/05/06/07/08 • OECD Tax Database 2005/06/07/08 	2005-08 CFA, WP2 Data/Models/ Indicators, Statistical reports	100%	They have a strong analytical soundness (Slovenia).
<p>Publications on topical tax policy issues</p> <ul style="list-style-type: none"> • OECD Tax Policy Studies series (2005-08) <ul style="list-style-type: none"> ○ Tax effects on foreign direct investment, recent evidence and policy analysis (No. 17) ○ Fundamental reform of corporate income tax (No. 16) ○ Encouraging savings through tax-preferred accounts (No.15) ○ Taxation of capital gains of individuals, policy considerations and approaches (No. 14) ○ Fundamental reform of personal income tax (No. 13) ○ Taxing working families, a distributional analysis (No. 12) ○ The taxation of employee stock options (No. 11) ○ E-commerce: transfer pricing and business profits taxation (No. 10) • Tax and economic growth (Economic Department Working Paper, No. 620) • Reports entitled <ul style="list-style-type: none"> ○ <i>The Political Economy of Environmentally Related taxes</i> (2006) 	2005-08 CFA, WP2, HTP Analytical/ Outlook Reports	88%	

Product groups	Year Main contributors Product type	% Members responding High or Very High Quality	Observations
<ul style="list-style-type: none"> ○ <i>Confronting International Non-compliance with Domestic Tax Laws</i> (2006) 			
<p>Aggressive Tax Planning Directory and related reports</p> <ul style="list-style-type: none"> • <i>Countering Offshore Tax Evasion - Report by the Focus Group on No or Nominal-Tax-Jurisdictions</i> (2008) • <i>Detection and Response Strategies in Selected OECD Countries</i> (2007) 	2007-08 CFA, WP8 Good practice report	91%	Non-response rate of 34%
<p>Instruments and products in the area of tax co-operation, including</p> <ul style="list-style-type: none"> • <i>Convention on Mutual Administrative Assistance in Tax Matters - Twentieth Anniversary Edition</i> (2008) • <i>Tax Co-operation: Towards a Level Playing Field - 2008 Assessment by the Global Forum on Taxation</i> • <i>Tax Co-operation: Towards a Level Playing Field - 2007 Assessment by the Global Forum on Taxation</i> • <i>Tax Co-operation: Towards a Level Playing Field - 2006 Assessment by the Global Forum on Taxation</i> 	2006-08 CFA, WP8,, GFTX, HTP Conventions and Legal Agreements; Peer reviews or surveys	84%	Non-response rate of 34%
<p>Products in the area of exchange of information and assistance in tax collection, including</p> <ul style="list-style-type: none"> • <i>Manual on the Implementation of Exchange of Information Provisions for Tax Purposes, including updates</i> <ul style="list-style-type: none"> ○ <i>Module 3 on Automatic (or Routine) Exchange of Information</i> ○ <i>Module 5 on Conducting Simultaneous Tax Examinations</i> • <i>Manual on the Implementation of Assistance in Tax Collection and additional modules</i> • <i>New standard for automatic exchange: Standard Transmission Format (STF)</i> • <i>2007 Survey on the use of the OECD SMF and STF</i> • <i>Reports on topics relating to consumption taxes and taxpayer-specific information exchange</i> 	2005-07 CFA, WP8 Guidelines, Declarations (Soft Law); Peer reviews or surveys	84%	
<p>2000 Report on Improving Access to Bank Information for Tax Purposes and follow-up products</p> <ul style="list-style-type: none"> • <i>Survey of Voluntary Compliance Strategies in Member Countries to Improve Access to Bank Information</i> • <i>Improving Access to Bank Information for Tax Purposes: The 2007 Progress Report</i> 	2005-06 CFA, WP8 Peer reviews or surveys	86%	Non-response rate of 37%
<p>OECD Project On Harmful Tax Practices, including</p> <ul style="list-style-type: none"> • <i>2006 Update on Progress in Member Countries</i> • <i>Note On Luxembourg's family estate planning company "Société de</i> 	2005-08 CFA, HTP	78%	Non-response rate of 34%

Product groups	Year Main contributors Product type	% Members responding High or Very High Quality	Observations
<ul style="list-style-type: none"> gestion de patrimoine familial » (Spf)⁷⁷ and Self-Review Global Forum on Taxation (predecessor to Global Forum on Transparency and Exchange of Information for Tax Purposes) 	Peer reviews or surveys; Evaluation		
<p>Products in the area of Tax Crimes and Money Laundering, including</p> <ul style="list-style-type: none"> Survey (updated) on access for tax authorities to information gathered by Money Laundering authorities Report on abuse of charities Guidelines on Tax Crimes and Money Laundering Report on Tax Fraud and Money Laundering Vulnerabilities Involving the Real Estate Sector 	2005-08 CFA, WP8 Peer Review, Good practice reports; Guidelines	86%	Non-response rate of 34%
<p>2009 Recommendation of the Council on Tax Measures for Further Combating Bribery of Foreign Public Officials in International Business Transactions (Following on from the 1996 Recommendation)</p>	2007-08 WP8, CFA [and Working Group on Bribery] Policy Recommendation	83%	Non-response rate of 34%
<p>Products in the area of tax administration, including</p> <ul style="list-style-type: none"> Tax Administration in OECD and Selected Non-OECD Countries: Comparative Information Series (2004, 2006 & 2008) 	2005-08 CFA, FTA Benchmarking study	92%	
<p>Guidance notes on compliance issues</p> <ul style="list-style-type: none"> Strengthening Tax Audit Capabilities: Innovative Approaches to improve the Efficiency and Effectiveness of Indirect Income Measurement Methods Strengthening Tax Audit Capabilities: Audit Workforce Management Survey Findings and Observations Strengthening Tax Audit Capabilities: General Principles and Approaches Workshop Report on Compliance Measurement and Evaluation Report on the Survey of Country Practices in Debt Collection & Overdue Returns Enforcement Monitoring Taxpayers' Compliance: A Practical Guide Based on Revenue Body Experience (2008) 	2005-08 CFA, FTA Good practice reports; Guidelines, Declarations (Soft Law)	86%	Non-response rate of 34%

Product groups	Year Main contributors Product type	% Members responding High or Very High Quality	Observations
Guidance notes and papers in the area of taxpayer service delivery matters <ul style="list-style-type: none"> • Programs to Reduce the Administrative Burden Resulting from Tax Regulations in Selected Countries • Third Party Reporting Arrangements and Pre-filled Tax Returns: The Danish and Swedish Approaches • Application Software Solutions Being Used to Support the Technical Architecture of Selected Revenue Bodies • Management of Email • Strategies for Improving the Take-up Rates of Electronic Services • Using Third Party Information Reports to Assist Taxpayers Meet their Return Filing Obligations: Country Experiences With the Use of Pre-populated Personal Tax Returns • Guidance on Tax Compliance for Business and Accounting Software (GTCBAS) • Guidance for the Standard Audit File-Tax (SAF-T) • Survey of Trends in Taxpayer Service Delivery Using New Technologies • Achieving Success With Electronic Services: The Importance of Having a Sound Business Architecture 	2005-08 Good practice reports CFA, FTA	82%	Non-response rate of 34%
Guidance notes in the area of corporate management topics <ul style="list-style-type: none"> • Study into the Role of Tax Intermediaries • Programs to Reduce the Administrative Burden Resulting from Tax Regulations in Selected Countries • Third Party Reporting Arrangements and Pre-filled Tax Returns: The Danish and Swedish Approaches 	2007-08 CFA, FTA Guidelines, Declarations (Soft Law); Good practice reports	71%	Non-response rate of 37%
International Tax Dialogue Web-Site and annual report	2005-08 Data; Outreach CFA, WP8, WP9, FTA, GFTX	61%	Non-response rate of 46%

Source: Evaluation survey.

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Table 8 Quality of products in area of Output Group 3.3 –Taxation (2009-10)

Product groups	Year Main contributors Product type	% Members responding High or Very High Quality	Observations
Updates and extension of the Model Tax Convention: five recommendations <ul style="list-style-type: none"> 2010 Update to the Model Tax Convention 	2009-10 CFA, WP1 Guidance, Declarations (Soft Law)	100%	
Updates and Extension of Transfer Pricing Guidelines <ul style="list-style-type: none"> Revision of the Recommendation of the Council on Attribution of Profits to Permanent Establishments Revision of the Recommendation of the Council on the Determination of Transfer Pricing between Associated Enterprises 	2009-10 CFA, WP6 Guidelines, Declarations (Soft Law)	100%	
Statistical publications and update of the OECD tax database <ul style="list-style-type: none"> Revenue Statistics (December 2010) Taxing Wages (May 2010) Improving the information in Taxing Wages [Special feature on non-tax compulsory payments as an additional burden of labour income included in the publication. Provisions made for future collection of this additional information] Up-date of the OECD Tax Data Base 	2009-10 CFA, WP2 Data/Models/Indicators, Statistical reports	100%	
International VAT/GST Guidelines <ul style="list-style-type: none"> OECD VAT/GST Guidelines - Customer Location (2010) Guidelines on the application of VAT/GST to the international trade in services and intangibles (2010) Consumption Taxes Applied to Telecommunication Services Outcomes of the Survey (2010) International VAT/GST Guidelines Draft Guidelines on Neutrality (2010) 	2009-10 CFA, WP9 Guidelines, Declarations (Soft Law)	81%	
Annual Report on Current Tax Reform Issues <ul style="list-style-type: none"> Tax Policy Reform and Fiscal Consolidation (2010) Tax Policy Measures Questionnaire: Progress Report (2010) Taxation, Innovation and the Environment (2010) Towards Green Growth (2011) Contribution to section on tax expenditures to the report of four international organisations to the G20 on the scope of energy subsidies (2010) Trends in Top Incomes and Income Inequality and their Implications for Tax Policy: Further Analysis (2010) Trends in Top Incomes And their Tax Policy Implications (2011) 	2009-10	96%	
Reports on current high-level tax policy issues <ul style="list-style-type: none"> Tax Policy Study No. 19: Choosing a Broad Base – Low Rate Approach to 	2009-10	100%	

Product groups	Year Main contributors Product type	% Members responding High or Very High Quality	Observations
Taxation (2010) <ul style="list-style-type: none"> • Tax Policy Study No. 20 - Tax Policy Reform and Economic Growth (2010) 	CFA, WP2 Analytical/ Outlook Reports		
Strategic engagement and collaboration with non-Members through international co-operation and events on international tax policy and administrative matters <ul style="list-style-type: none"> • Report by the Secretariat on the 15th Annual International Meeting on Tax Treaties (2011) • Multilateral and bilateral events to ensure adoption and proper application of the arm's length principle by non Member countries and understand their perspectives (25 events in 2009 and 21 in 2010) • Multilateral and bilateral events on tax policy and tax statistics: <ul style="list-style-type: none"> ○ Bangkok, Thailand (July 2009) ○ Mexico (Nov/Dec 2009) • Tax policy workshop in Seoul, South Korea (March 2010) • Multilateral and bilateral events on effective exchange of information, on money laundering and bribery awareness for tax examiners (2 events in 2009 and 5 in 2010) • Multilateral and bilateral events on international guidelines on VAT/GST: High-level International VAT Conference, Lucerne, Switzerland (September 2009) • Conference on VAT Compliance, Yangzhou, People's Republic of China (Aug/Sept 2009 and Sept 2010) • Multilateral and bilateral events on best practices in tax administrations including an additional focus on the South East Asian region: 21 Global relations tax events were held in the ASEAN region in 2009, and 26 in 2010. • Annual multilateral event to get non-Member feedback on development of the overall outreach programme and on joint work with DAC on tax and governance: Annual Advisory group meetings with participation from NOEs (2009 and 2010) • Programme development and delivery - Developed and delivered 72 Global events in 2009 and 72 events in 2010 • Development of tax policy indicators under the MENA and SEE projects: <ul style="list-style-type: none"> ○ SEE - Investment Reform Index (IRI) indicators. These indicators were developed and implemented for SEE countries. Chapter 6 (Tax Policy Analysis) of the OECD publication, Investment Reform Index 2010 - Monitoring Policies and Institutions for Direct Investment in South East Europe ○ MENA - Business Climate Development Strategy (BCDS) indicators. These indicators were developed and implemented for Egypt and Morocco 	2009-10	94%	Non-response rate of 51%

Product groups	Year Main contributors Product type	% Members responding High or Very High Quality	Observations
Updated directory on aggressive tax planning schemes <ul style="list-style-type: none"> • Aggressive Tax Planning Directory • Publication entitled <i>Engaging with High Net Worth Individuals on Tax Compliance</i> (2009) • Report on Hybrid Mismatch Arrangements (2010) • Publication entitled <i>Addressing Tax Risks Involving Bank Losses</i> (2010) • Tax Inspectors meeting on VAT fraud and evasion (September 2009) 	2009-10 CFA, WP8, WP9 Good practice report	88%	
Practical recommendations, good practices and strategies for improving the efficiency and effectiveness of exchange of information <ul style="list-style-type: none"> • Revised Guidance Note on Encouraging and Promoting Spontaneous Exchange of Information • Tool kit for automatic exchange of information • Update of the OECD secure website for tax officials on exchange of information and collection assistance • Draft Implementation Package released for Public Consultation (partially completed 2010) 	2009-10 CFA, WP8, WP9 Good practice report	92%	
The 2000 OECD Report on Improving Access to Bank Information for Tax Purposes Report entitled <i>Framework for Successful Offshore Voluntary Compliance Programmes</i> (2009)	2009-10 CFA, WP8	73%	
Criminal typologies, a Guidance Handbook for Tax Auditors and an Updated Survey of tax administrations' access to data collected by anti-money laundering authorities (work carried out in co-operation with the FATF) <ul style="list-style-type: none"> • Money Laundering Awareness Handbook for Tax Examiners and Tax Auditors (2009) • Note on Tax Evasion as a Predicate Offence to Money Laundering (2009) • Recommendation of the Council to Facilitate Co-operation between Tax and Other Law Enforcement Authorities to Combat Serious Crimes (2010) • Report on Abuse of Charities for Money-Laundering and Tax Evasion (2009) • Money Laundering through the Football Sector (2009) • Sales Suppression Software - A Major Tool for Tax Evasion and a Major Concern for Tax Administrations (2010) 	2009-10 CFA, WP8 Guidelines, Declarations (Soft Law)	87%	Non-response rate of 34%

Product groups	Year Main contributors Product type	% Members responding High or Very High Quality	Observations
Input to tax aspects of OECD's work on bribery: analytical reports <ul style="list-style-type: none"> • Recommendation of The Council on Tax Measures for Further Combating Bribery of Foreign Public Officials in International Business Transactions (2009) • Up-dated version of <i>The OECD Bribery Awareness Handbook for Tax Examiners</i> (2009) 	2009-10 CFA, WP8 [and Working Group on Bribery] Policy Recommendation; Guidelines, Declarations (Soft Law)	76%	
Tax Haven Work: Annual updates of the factual assessment of the progress made towards a level playing field <ul style="list-style-type: none"> • Tax Co-operation 2009: Towards a Level Playing Field - 2009 Assessment by the Global Forum on Transparency and Exchange of Information (2009) • Tax Co-operation 2010: Towards a Level Playing Field - 2010 Assessment by the Global Forum on Transparency and Exchange of Information (2010) 	2009-10 CFA, GFTX, HTP Peer reviews or surveys	96%	
Monitoring preferential tax regimes that member countries think raise concerns under the preferential regime criteria Revised Note on Luxembourg's « Société de gestion de patrimoine familial » (Spf) and Self-Review (2010)	2009-10 CFA, HTP Evaluation	58%	
A report identifying targeted defensive measures that could be implemented relatively easily by one or more OECD countries Update on Defensive Measures	2009-10 CFA, HTP Good practice report	67%	
Guidance and information notes for tax administrations on tax compliance issues and taxpayer service delivery issues <ul style="list-style-type: none"> • Guidance Note - Evaluating the Effectiveness of Compliance Risk Treatment Strategies (2010) • Information Note -Understanding and Influencing Taxpayers' Compliance Behaviour (2010) • Joint Audit Report and Joint Audit Participants Guide Report (2010) • A Framework for a Voluntary Code of Conduct for Revenue Bodies and Banks (2010) • Guidance Note - Guidance and Specifications for Tax Compliance of Business and Accounting Software (2010) • Guidance Note - Guidance on Test Procedures for Tax Audit Assurance (2010) • Information Note - Tax Compliance and Tax Accounting Systems (2010) • Information Note - Withholding & Information Reporting Regimes for SMEs & Self-employed Taxpayers (2009) • Information Note - Developments in VAT Compliance Management in Selected Countries (2009) 	2009-10 CFA , FTA Good practice report	83%	Non-response rate of 34%

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Product groups	Year Main contributors Product type	% Members responding High or Very High Quality	Observations
<ul style="list-style-type: none"> • Guidance Note - Experiences and Practices of Eight OECD Countries (2009) • Information Note - Managing and Improving Compliance: Recent Developments in Compliance Risk Treatments (2009) • Companion Note. Managing and Improving Compliance: Recent Developments in Compliance Risk Treatments: A Catalogue of Revenue Body Initiatives (2009) • Information Note - Tax Reference Model - Application Software Solutions Being Used to Support Revenue Administration in Selected Countries (2010) • Guidance Note - Standard Business Reporting (2009) • Publications entitled <i>Engaging with High Net Worth Individuals on Tax Compliance</i> and <i>Building Transparent Tax Compliance by Banks</i> (2009) 			
<p>Studies on general tax administration</p> <ul style="list-style-type: none"> • <i>Tax Administration in OECD and Selected Non-OECD Countries: Comparative Information Series (2008)</i> (published in 2009) • <i>Tax Administration in OECD and Selected Non-OECD Countries: Comparative Information Series (2010)</i> (published in 2011) 	<p>2009-10 CFA, FTA Benchmarking study</p>	<p>65%</p>	
<p>Annual report on the outcomes of the International Tax Dialogue (2009 and 2010).</p>	<p>2009-10 CFA/ITD Good practice reports, benchmarking studies</p>	<p>47%</p>	<p>Non-response rate of 57%</p>

Source: PIR.

Table 9 Summary of Quality Assessment Results

Product groups	Main contributors	Year	% Members responding High or Very High Quality
Statistical publications on taxes and revenue and update of the OECD tax database	CFA, WP2	2009-10	100%
	CFA, WP2	2005-08	100%
Updates and Extension of Transfer Pricing Guidelines	CFA, WP6	2009-10	100%
	CFA, WP6	2005-08	96%
Updates and extension of the Model Tax Convention	CFA, WP1	2009-10	100%
	CFA, WP1, WP6	2005-08	92%
Publications on topical tax policy issues	CFA, WP2	2009-10	100%
	CFA, WP2	2005-08	88%
Instruments and products in the area of tax co-operation, including 'Towards a level-playing' field reports	CFA, GTFX, HTP	2009-10	96%
	CFA, WP8, GTFX, HTP	2005-08	87%
Strategic engagement and collaboration with non-Members through international co-operation and events on international tax policy and administrative matters	CFA, BCNOE, all sub-bodies	2009-10	94%
Products in the area of exchange of information and assistance in tax collection	CFA, WP8, WP9	2009-10	92%
	CFA, WP8	2005-08	84%
Aggressive Tax Planning Directory and related reports on aggressive tax planning schemes	CFA, WP8, WP9	2009-10	88%
	CFA, WP8	2005-08	91%
Products in the area of Tax Crimes and Money Laundering (including Handbook for Tax Auditors, Survey of tax administrations' access to data collected by anti-money laundering authorities)	CFA, WP8	2009-10	87%
	CFA, WP8	2005-08	86%
Guidance and information notes for tax administrations on tax compliance issues and taxpayer service delivery issues	CFA, FTA	2009-10	83%
	CFA, FTA	2005-08 'Service delivery'	82%
	CFA, FTA	2005-08 'Compliance'	86%
International VAT/GST Guidelines and related elements and products in the area of consumption taxes	CFA, WP9	2009-10	81%
	CFA, WP9	2005-08 'guidelines'	82%

Product groups	Main contributors	Year	% Members responding High or Very High Quality
	CFA, WP9, BCNOE	2005-08 'other products'	79%
OECD Project On Harmful Tax Practices	CFA, HTP	2005-08	78%
Input to tax aspects of OECD's work on bribery: analytical reports (Following on from the 1996 Recommendation of the Council on Tax Measures for Further Combating Bribery of Foreign Public Officials in International Business Transactions)	CFA, WP8	2009-10	76%
	CFA, WP8	2005-08	83%
The 2000 OECD Report on Improving Access to Bank Information for Tax Purposes	CFA, WP8	2009-10	73%
	CFA, WP8	2005-08	86%
Guidance notes in the area of corporate management topics	CFA, FTA	2005-08	71%
Products in the area of tax administration (including Comparative information Series)	CFA, FTA	2009-10	65%
	CFA, FTA	2005-08	92%
International Tax Dialogue Web-Site and annual report on the outcomes of the International Tax Dialogue	CFA/ITD	2009-10	47%

4. Policy impacts arising from the work of the Committee on Fiscal Affairs

152. Feedback from informed policymakers in Member countries used to make this analysis was collected from administrations via:

- a questionnaire survey covering the period from 2005 to 2008 with respect to the visibility, use and policy development impact of Output Results in Output Areas 3.3.1 and 3.3.2 and 4.3.3;
- the PIR survey covering the period 2009-10 with respect to policy development impact of Output Results in the Output Area 3.3.1.

153. The analysis of effectiveness addresses the question of whether a committee is achieving its objectives through the *use* of Output Results and their *impact* on policy development, both in the short to medium-term as well as over a longer-term horizon.

154. The results of the questionnaire survey in respect to the awareness, use and impacts of Output Results produced in the 2005-08 period are presented below in Table 10, while results of the PIR exercise covering Output Results produced in 2009 and 2010 figure in Table 11. Quantitative results are synthesised in Table 12.⁸¹

155. Quantitative results are presented in the form of indicators of the percentage of Members registering a *medium* to *very high* level of awareness, use and policy impacts.⁸² The main performance benchmark used is that a *medium* to *very high* policy impact is reported in 50% or more of Members responding to the survey.^{83 84}

156. Qualitative results from both the questionnaire surveys are presented in the same tables in the form of observations and examples.

4.1 Analysis of effectiveness in the short to medium-term

157. Feedback from policymakers indicates that all product groups produced by the CFA in the review period have had a *medium* or higher impact in one-half or more of Members. The CFA instruments are acknowledged as international standards upon which the domestic legislations and bilateral agreements are based. Three product groups in particular stand out with respect to their high level of impact:

- Updates and extension of the Model Tax Convention;
- Updates and Extension of Transfer Pricing Guidelines;
- Products in the area of exchange of information and assistance in tax collection.

81. In the synthesis table, recurring Output Results are grouped, as are Output Results produced over a number of years that are closely related. They are listed in descending order according to the most recent impact rating, with those exceeding the impact threshold (in at least one year for recurring or multi-annual groupings) being marked in bold.

82. For products completed uniquely in the framework of the PWB 2009-10, policymakers were requested to provide an assessment of actual and/or potential policy impact, as appropriate.

83. The processing of data is explained in Annex II.

84. Non-response rates of more than 33% are indicated.

158. The impacts of the products in the area of VAT and the reports on topical policy issues have increased significantly between the periods 2005-08 and 2009-10, in line with the need for new solutions to the financial crisis and the renewed interest in consumption taxes as a way to restore fiscal balance.

159. The survey results also give rise to the following observations:

- the relative impact of product groups appears to be closely correlated to their relative quality;
- most product groups have a high degree of visibility amongst Members' policymakers, though the extent to which they are used in policymaking is somewhat lower in most cases;

160. This positive assessment of the policy impact by Members is matched by the appreciation of its usefulness by most of the Committee's wider stakeholders.

161. The impact of products related to consumption taxes, although they are above the benchmark, is significantly lower than the other products and increasing between the two periods, which reflect:

- the differences of indirect tax systems between countries;
- the fact that the EU countries are bound by the EU VAT Directive.

Table 10 Awareness, use and impact of products in the area of Output Group 3.3 – International Taxation - and Output Area 4.3.3 – Tax Administration (2005-08)

Output Results	Year Main contributors Product types	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High impact	
<p>Model Tax Convention on Income and Capital, updates and related reports</p> <ul style="list-style-type: none"> • Additions and changes <ul style="list-style-type: none"> ○ Article 7 (Business Profits) ○ Commentary on Article 15 (Income from employment) ○ Application of Article 17 (Artistes and Sportsmen) ○ Application and Interpretation of Article 24 (Non-Discrimination) ○ Commentary on Article 25 (Mutual agreement procedure) • Reports and discussion drafts <ul style="list-style-type: none"> ○ Tax Treaty Issues Related to REITs (2007) ○ Tax Treaty Treatment of Services (2007) ○ Improving Mechanisms for Resolution of Tax Treaty Disputes (2006) • Global Forum on Tax Treaties and Transfer Pricing (2005) 	<p>2005-08 CFA, WP1, WP6 Guidelines, Declarations (Soft Law)</p>	100%	100%	100%	<p>The model and commentary is used extensively as the basis for double tax agreements and is often considered in the interpretation of double tax agreements (Australia).</p> <p>The domestic Danish tax legislation depends to a great extent on the standards set by the OECD. An example is that we have tax provisions on limited tax liability for foreign enterprises with a permanent establishment (p.e.) in <i>Denmark</i>. However, the domestic legislation has no provision on how to calculate the profits of a p.e. The calculation therefore depends on Article 7 (Business Profits) with the comments to this Article and the OECD reports on attribution of profits to p.e.'s (the 2008 report on this topic is mentioned below under item 3). The key officials who are responsible for the case by case administration of the tax legislation are highly aware and make use of Article 7 of the OECD model, its comments and the OECD-reports. The work on the OECD-comments on Article 15 is also important for the application of our domestic provision on the taxation on hiring in of labour as we can implement the domestic provision only to the extent it is allowed under the comments he work on the OECD-comments to Article 25 and on Improving Mechanisms for Resolution of Disputes is important for solving individual cases which taxpayers bring for the Danish tax administration. The work of key officials therefore relies to a great extent on the OECD work.</p> <p>These products are taken into account when the tax treaty policy is being formulated. (Estonia).</p> <p>Double taxation and unintended double non-taxation (European Union).</p> <p>The policy is to follow global interpretation and recommendation for achieving competitive and rightful taxation both nationally and internationally (Finland).</p> <p>Le modèle de convention fiscale de l'OCDE est particulièrement utile dans le cadre de l'élaboration de la norme et lors des négociations et interprétations fiscales des conventions fiscales conclues par la <i>France</i> avec ses partenaires.</p> <p>OECD commentary and reports provide important orientation for the determination of policies concerning the delimitation of taxing rights between source and residence state (Germany).</p> <p>Regarding impact, these products both reaffirm current policy and serve as</p>

Output Results	Year Main contributors Product types	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High impact	
					<p>an international standard for policy reforms (Greece).</p> <p>Our Model Treaty is based on the MTC (Ireland).</p> <p>Double taxation agreements are part of the law in <i>Israel</i> and override the domestic law, so it's clear that the key officials are aware of them. Israel has 50 tax agreements, but its aim is to have more agreements and to make the necessary changes in the old agreements. Double taxation agreements are implemented in Israel. Policy is determined in the domestic law by considering the double taxation agreements.</p> <p>Although it is not possible to make an assessment on each of the topic at issue, OECD models, guidelines, best practice and recommendations are widely used in <i>Italy</i> treaty negotiations.</p> <p>To reflect the OECD standard, we sometimes amend the provisions of our domestic laws. When we negotiate a tax treaty with other treaty partners, we usually discuss issues based on the Convention, the commentary, and reports (Japan).</p> <p>The model tax convention is a standard according to which every bilateral convention is construed (Korea).</p> <p>The OECCD Model remains the standard for double tax treaties (Netherlands).</p> <p>Model Tax Convention on Income and Capital constitutes the basis for bilateral agreements on avoidance of double taxation concluded by Poland with other countries. The new regulations are included in newly signed agreements and those essential ones are introduced by amending the old agreements (Poland).</p> <p>This group of products has an impact on drafting of domestic model tax convention, development of policy papers and preparation of legislation, as well as interpretations (Slovenia).</p> <p>In General, the <i>Swiss</i> Model Tax Convention is based on the OECD Model Tax Convention. Its Commentary is an important tool for the interpretation of the Swiss double taxation treaties. The Commentary is also an important tool for getting a common understanding at negotiations. Regarding the work of the years 2005 to 2008, the impact of the work done in 2005 to 2008 is not yet that high but it is increasing, in particular in respect of the work regarding Article 15, Article 24 and Article 7.</p>
<p>International VAT/GST Guidelines and related elements and products including</p> <ul style="list-style-type: none"> • Guidelines on Customer Location and Exceptions • Guidelines on Customer Location and Place of 	2007-08 CFA, WP9 Guidelines,	96%	73%	57%	<p>While the work is useful, Australian expertise had developed independently of the OECD products (Australia).</p> <p>When goods and services are traded across the borders, it is important to</p>

Output Results	Year Main contributors Product types	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High impact	
<p>Performance</p> <ul style="list-style-type: none"> • Guidelines on Mixed Supplies • Guidelines on Time of Taxation • Tax Guidance Series papers <ul style="list-style-type: none"> ○ Paper N° 001: Electronic Commerce - Commentary on Place of Consumption for Business to Business Supplies (Business Presence) ○ Paper N° 002: Electronic Commerce - Simplified Registration Guidance ○ Paper N° 003: Verification of Customer Status and Jurisdiction 	Declarations (Soft Law)				<p>have international standards for the place and time for the taxation in order to avoid double taxation and double non-taxation. This is especially important for trade to and from non-EU-countries (Denmark).</p> <p>There is a good awareness and appreciation of the quality of the products (Ireland).</p> <p>The future aim is to increase the consideration in the guidelines (Israel).</p> <p>We refer to these products in very limited cases (Japan).</p> <p>Referenced in reports/briefings, or used as reference material with a direct impact on policy making. International comparisons are used in setting policy. Used as background documentation to inform policy makers (Korea).</p> <p>The work is important and of excellent quality but the impact is restrained due to our position as EU-member and the EU directives (Netherlands).</p> <p>This group of products have an impact on development of policy papers and preparation of legislation (Slovenia).</p> <p>We apply the rules of VAT of the European Union (Spain).</p> <p>There is no nationally imposed VAT/GST in the United States, and accordingly, the development of the Guidelines is not a focus for key officials (United States).</p> <p>Non-response rate of 40%</p>
<p>Instruments and products in the area of transfer pricing</p> <ul style="list-style-type: none"> • 2008 Recommendation of the Council on Attribution of Profits to Permanent Establishments • Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and updates, including revisions to <ul style="list-style-type: none"> ○ Chapter I: The Arm's Length Principle ○ Chapter II: Transfer Pricing Methods ○ Chapter III: Comparability Analysis ○ Chapter IV: Administrative Approaches to Avoiding and Resolving Transfer Pricing Disputes • Reports and discussion papers on <ul style="list-style-type: none"> ○ Transactional Profit Methods ○ Attribution of Profits to Permanent Establishments ○ Transfer Pricing Aspects of Business Restructurings <p>Comparability and Profit Methods for Transfer Pricing Purposes</p>	<p>2005-08 CFA, WP6</p> <p>Guidelines, Declarations (Soft Law)</p>	100%	100%	96%	<p>OECD transfer pricing guidelines form the basis of <i>Australia's</i> approach to transfer pricing matters. However, recent jurisprudence has raised issues regarding the applicability of the OECD transfer pricing guidelines in light of domestic transfer pricing provisions. In the area of attribution of profits to permanent establishments, the final report on the subject has been very helpful in formulating how the domestic law may need changing to give effect to the new Article 7 and its Commentary. Difficult topics were discussed (e.g., capital attribution) and there are far fewer compromises of the separate entity approach than in previous versions. The report is very persuasive from a policy standpoint.</p> <p>The domestic Danish tax legislation has provisions which correspond to Article 9 (Taxation on Associated Enterprises) of the OECD model. However, the domestic provisions are not in details. The circular refer to the OECD Transfer Pricing Guidelines. The key officials who are responsible for the case by case administration therefore rely to a great extent on the OECD reports and papers. These OECD products concern enterprises of one state with an associated enterprise or a p.e. in another state It reduces</p>

Output Results	Year Main contributors Product types	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High impact	
					<p>the risk for disputes between the two states if both follow the OECD-principles agreed in these products (Denmark).</p> <p>When we introduced a comprehensive arm's length principle into our domestic legislation in 2010 we based them on the OECD Transfer Pricing Guidelines (Ireland).</p> <p>The State of <i>Israel</i> recognizes the guidelines and implements them. In the future Israel will try to assimilate them more.</p> <p>In particular, Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations is referred to in our administrative guidelines on TP, and also is instructive in our legislation reform (Japan).</p> <p>It was applied for amending our legislation when double taxation occurs refer to the OECD output (Korea).</p> <p>TPG are the standard in TP discussion. Implementation of (any) TP standard by non OECD countries is of high importance (Netherlands).</p> <p>In Slovenia we are aware of Recommendation of the Council on Attribution of Profits to Permanent Establishments (2008) and our key officials use document in their work.</p> <p>We are using Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations constantly. In 2011 national Rules on transfer pricing would change because of the amended Transfer Pricing Guidelines for MNE in 2010 (Slovenia).</p> <p>The revisions to the Transfer Pricing Guidelines are consistent with the U.S. transfer pricing rules. Their acceptance and implementation by other OECD Member countries will minimize potential future disputes and help to ensure that a single set of rules is consistently applied among member countries (United States).</p>
<p>Products in the area of consumption taxes</p> <ul style="list-style-type: none"> • OECD International VAT/GST Guidelines on applying VAT/GST to cross-border trade in services and intangibles <ul style="list-style-type: none"> ○ Framework for development of Guidelines ○ Basic principles on place of taxation & VAT neutrality ○ Draft Guidelines on place of taxation • Publication of <i>Consumption Tax Trends</i> (ed. 2006/2008) <p>Secure Exchange of Consumption Tax Information System ("SECTIS")</p>	<p>2005-2008</p> <p>CFA, WP9, BCNOE</p> <p>Guidelines, Declarations (Soft Law)</p> <p>Data/Models/ Indicators, Statistical reports</p>	96%	75%	65%	<p>Cross border issues have not generally been a subject of policy consideration during the 2005-2008 periods (Australia).</p> <p>This OECD work is important to avoid double taxation and double non-taxation on trade in goods and services across the borders (Denmark).</p> <p>As the guidelines are still at draft stage they have not yet been of practical use in this administration (Ireland).</p> <p>The State of <i>Israel</i> would make efforts to implement more in the future.</p> <p>We use some indicator, for example C-efficiency ratio, which is showed in "Consumption Tax Trends", to think about our consumption tax efficiency (Japan).</p>

Output Results	Year Main contributors Product types	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High impact	
					<p>Referenced in reports/briefings, or used as reference material with a direct impact on policy making. International comparisons are used in setting policy. Used as background documentation to inform policymakers (Korea).</p> <p>Considered as the standard for policy setting. Supported discussions and studies. Used as a data source in conjunction with other non-OECD data sources (Poland).</p> <p>In <i>Slovenia</i> we are aware of OECD International VAT/GST Guidelines, Consumption Tax Trends and SECTIS. Currently we are not a member of SECTIS. OECD International VAT/GST Guidelines and Consumption Tax Trends have an impact on development of policy papers and preparation of legislation, as well as interpretation. Documents are also used as a source when informing the Government about the application of the VAT/GST in other countries.</p> <p>We apply the rules of VAT of the European Union. We do not take part of SECTIS (Spain).</p> <p>There is no nationally imposed VAT/GST in the <i>United States</i>, and accordingly, the development of the Guidelines is not a focus for key officials. However, Consumption Tax Trends is often used to inform the policy debate in the United States when the adoption of consumption taxes are proposed. It is an important, frequently cited data source. The United States does not utilize the SECTIS.</p> <p>Non-response rate of 34%</p>
<p>Statistical products on taxes and revenue</p> <ul style="list-style-type: none"> Revenue Statistics 1965-2004/05/06/07/08 Taxing Wages 2003/04/05/06/07/08 OECD Tax Database 2005/06/07/08 	<p>2005-08</p> <p>CFA, WP2</p> <p>Data/Models/Indicators, Statistical reports</p>	100%	100%	91%	<p>This work is highly regarded and has been used in the context of domestic policy considerations (Australia)</p> <p>These products are import at the political deliberations on new tax legislation (Denmark).</p> <p>Requests for published OECD figures are made from time to time by Senior Management as part of briefing for deliberations on budgetary policy. These mostly relate to international comparisons of the Tax and Social Security contributions burden on individual and corporate tax payers (Ireland).</p> <p>For example, we often make use of "Revenue Statistics" to calculate tax burden ratio of OECD countries and it contributes to our consideration towards on-going/future tax reform in <i>Japan</i>.</p> <p>The products are very relevant to practice and policy development (Korea). Level, rates, tax credits etc of OECD countries are taken into account when formulating and implementing tax policy (Netherlands).</p>

Output Results	Year Main contributors Product types	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High impact	
					<p>In <i>Slovenia</i>, we use those publications as one of the basis for international comparisons used in developing policy options or settings. Publications are also used as background documentation to inform policy debate. They also have a strong analytical soundness.</p> <p>Our ratings are with reference to the Revenue Statistics publication only. Revenue Statistics is well known, high quality and regularly used to inform policy discussions. Our ratings do not include the Taxing Wages publication (United States).</p> <p>Non-response rate of 34%</p>
<p>Publications on topical tax policy issues</p> <ul style="list-style-type: none"> • OECD Tax Policy Studies series (2005-08) <ul style="list-style-type: none"> ○ Tax effects on foreign direct investment, recent evidence and policy analysis (No. 17) ○ Fundamental reform of corporate income tax (No. 16) ○ Encouraging savings through tax-preferred accounts (No.15) ○ Taxation of capital gains of individuals, policy considerations and approaches (No. 14) ○ Fundamental reform of personal income tax (No. 13) ○ Taxing working families, a distributional analysis (No. 12) ○ The taxation of employee stock options (No. 11) ○ E-commerce: transfer pricing and business profits taxation (No. 10) • Tax and economic growth (Economic Department Working Paper, No. 620) • Reports entitled <ul style="list-style-type: none"> ○ <i>The Political Economy of Environmentally Related taxes</i> (2006) ○ <i>Confronting International Non-compliance with Domestic Tax Laws</i> (2006) 	<p>2005-08</p> <p>CFA, WP2, HTP</p> <p>Analytical/ Outlook Reports</p>	96%	96%	91%	<p>Publications on tax policy issues have been drawn on in policy development contexts, including the <i>Australia's</i> Future Tax System review. OECD publications are an important source material that is drawn upon in policy reviews. This reflects that such publications are generally high quality and draw upon a wide range of member country experience and are subject to extensive review prior to publication.</p> <p>At the political deliberations about new domestic tax legislation, it is important to consider the effects not only with respect to the revenue and the distribution of the tax burden, but also the effects in a broader context, e.g. the effects for economic growth, investment, business, employment, environment etc. It is also important to take into account the tax legislation in other countries and their experience with this legislation. The OECD-products assist the key officials responsible for policy making. They are therefore aware of these studies (Denmark).</p> <p>There is a good awareness and appreciation of the quality of these publications. Impact is as medium as in practice <i>Ireland</i> has not to consult the studies on many occasions.</p> <p>We read the directions and publications in order to learn from them and to adapt them to the domestic law (Israel).</p> <p>For example, the direction of tax reform written in "Tax and economic growth" is helpful in deepening our consideration towards on-going/future tax reform in <i>Japan</i></p> <p>The publications are very useful in preparing for possible future reforms (Korea).</p> <p>Level, rates, tax credits etc of OECD countries are taken into account when formulating and implementing tax policy (Netherlands).</p> <p>Documents are taken into consideration when drafting new or amending existing tax legislation. Documents are also being used as a source when</p>

Output Results	Year Main contributors Product types	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High impact	
					informing the Government about the tax policy issues (Slovenia).
Aggressive Tax Planning Directory and related reports <ul style="list-style-type: none"> • <i>Countering Offshore Tax Evasion - Report by the Focus Group on No or Nominal-Tax-Jurisdictions</i> (2008) • <i>Detection and Response Strategies in Selected OECD Countries</i> (2007) 	2007-08 CFA, WP8 Good practice report	91%	91%	87%	<p>The group of products has served as a useful tool from both a conceptual and learning perspective as well as from practical perspective (Australia).</p> <p>The work on the ATP-group is important at the domestic deliberations on how to counteract tax avoidance schemes. A small group of relevant officials follow the work as it gives information of avoidance schemes used in other countries. That makes it possible to foresee whether similar schemes can be used to avoid Danish taxation and how the possible use in <i>Denmark</i> of such schemes can be prevented.</p> <p>The Directory and related reports are a useful tool in the identification of tax avoidance in <i>Ireland</i>.</p> <p>We are implementing and trying to increase the application (Israel).</p> <p>Scheme information within ATP Directory is provided through training seminars. In order to detect and examine Aggressive Tax Planning more effectively and efficiently, those information is utilised by the tax examiners (Japan).</p> <p>It is practically used for preventing from and auditing of offshore tax evasions (Korea).</p> <p>Non-response rate of 34%</p>
Instruments and products in the area of tax co-operation, including <ul style="list-style-type: none"> • Convention on Mutual Administrative Assistance in Tax Matters - Twentieth Anniversary Edition (2008) • Tax Co-operation: Towards a Level Playing Field - 2008 Assessment by the Global Forum on Taxation • Tax Co-operation: Towards a Level Playing Field - 2007 Assessment by the Global Forum on Taxation • Tax Co-operation: Towards a Level Playing Field - 2006 Assessment by the Global Forum on Taxation 	2006-08 CFA, WP8,, GFTX, HTP Conventions and Legal Agreements; Peer reviews or surveys	100%	92%	84%	<p>Work has helped framing policy responses to harmful tax matters, particularly the extent of progress in non co-operative jurisdictions (Australia).</p> <p><i>Denmark</i> has always been active in international cooperation with tax authorities of other countries. This co-operation has traditionally been especially intense between the Nordic countries and certain other OECD countries. But the extent of transactions with other countries is increasing. It is therefore important to make sure, that non-OECD countries also take part in international exchange of information for tax purposes. The key officials responsible for case by case administration have attention to the question on exchange of information with other countries, including countries and jurisdictions outside the OECD – especially if these countries or jurisdictions are used in avoidance schemes or in fraud cases with respect to Danish taxation.</p>

Output Results	Year Main contributors Product types	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High impact	
					<p>Due to the lack of manpower, the issue of mutual administrative assistance is not yet sufficiently developed. We are aware of the need to improve it and we will do so in the future (Israel).</p> <p>To understand the OECD standard, we sometimes make use of the Convention on Mutual Administrative Assistance in Tax Matters - Twentieth Anniversary Edition (2008) (Japan).</p> <p>Used as reference material or impact on policy making. International comparisons are used in setting policy (Korea).</p> <p>Both are an important instrument in setting the standards when negotiating bilateral tax treaties (Netherlands).</p> <p>After <i>Poland's</i> accession to the EU the Convention as the instrument of international administrative co-operation in tax matters was not very useful. The co-operation on the basis of this Convention was limited to non-EU countries, and included only those areas where no objections have been raised under Article 30.</p> <p>The Convention recently entered into force. So far we haven't had any practical experience using the Convention. However we believe that the Convention is a good tool for exchange of information (Slovenia).</p>
<p>Products in the area of exchange of information and assistance in tax collection, including</p> <ul style="list-style-type: none"> • Manual on the Implementation of Exchange of Information Provisions for Tax Purposes, including updates <ul style="list-style-type: none"> ○ Module 3 on Automatic (or Routine) Exchange of Information ○ Module 5 on Conducting Simultaneous Tax Examinations • Manual on the Implementation of Assistance in Tax Collection and additional modules • New standard for automatic exchange: Standard Transmission Format (STF) • 2007 Survey on the use of the OECD SMF and STF • Reports on topics relating to consumption taxes and taxpayer-specific information exchange 	<p>2005-07</p> <p>CFA, WP8</p> <p>Guidelines, Declarations (Soft Law); Peer reviews or surveys</p>	100%	100%	100%	<p>This work is highly regarded and has been used in developing <i>Australia's</i> EOI policies and procedures.</p> <p><i>Denmark</i> has always been active in international co-operation with tax authorities of other countries. It is important for us that all countries are made familiar with the different aspects of exchange of information, e.g. with respect to the importance of receiving information which is exchanged on an automatic basis. It is also important to have common technical standards to facilitate the use of information received. The domestic standards for receiving information from third parties in Denmark (e.g. from financial institutions, employers) are designed to correspond to the OECD technical standards for supplying information to other countries. The key officials responsible for international exchange of information as well as the key officials responsible for third party reporting systems are to a great extent aware of the OECD work on standards for the exchange.</p> <p>The manuals are a key resource of our EOI Competent Authority. In 2007, <i>Ireland</i> introduced technology to enable it to receive information in the SMF.</p> <p>Information exchange is being implemented well. Help enforcement has not sufficiently developed due to lack of manpower (Israel).</p>

Output Results	Year Main contributors Product types	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High impact	
					<p>We are planning to make a new law to introduce “Assistance in Tax Collection” which is based on OECD Model Tax Convention (Japan). They are standards for making our system and rule for EOI purposes (Korea).</p> <p>Have set the standard for our TIEA’s (Netherlands).</p> <p>Based on SMF and STF model automatic exchange of information is performed with other States. Models are clearly understood and used by most States, therefore the exchanged information is easy to use and it is possible to make different comparative studies, etc. Some of the products are used as guidance in the field of mutual administrative assistance and have also an important impact on fight against tax fraud (Slovenia).</p> <p>Non-response rate of 34%</p>
<p>2000 Report on Improving Access to Bank Information for Tax Purposes and follow-up products</p> <ul style="list-style-type: none"> • Survey of Voluntary Compliance Strategies in Member Countries to Improve Access to Bank Information • Improving Access to Bank Information for Tax Purposes: The 2007 Progress Report 	<p>2005-06 CFA, WP8 Peer reviews or surveys</p>	96%	87%	83%	<p>This work has been useful in informing <i>Australia</i> of developments in other jurisdictions.</p> <p>The possibility to conceal income for the tax authorities and to counteract such possibilities is an important policy issue. We therefore consider it important to get progress in the OECD work on abolishing bank secrecy as an obstacle for exchange of tax information. In a domestic political context key officials refer to the progress in the OECD work. The OECD work also has importance for the corresponding work in the EU (Denmark).</p> <p>For its part, <i>Ireland</i> has been able to obtain bank information since 2003. The reports were useful to the extent of alerting us to developments in our treaty partners. However, we would have been aware of such developments in any event.</p> <p>Authorities already receive information from the banks, even if they are not aware of the all details in the report (Israel).</p> <p>We make use of it in limited cases. We follow progress of other countries in this area in the 2007 progress report (Japan).</p> <p>It is used for our references (Korea).</p> <p>The reason that the awareness of tax administration officials of the products, use and impact of the products are not very high is that, in <i>Slovenia</i>, the access to bank information for tax purposes by the tax administration is at a high level due to payment transactions services, which were in the past facilitated by the tax administration and were based on previous controls that were done at a same time as collection of tax through bank accounts of legal entities.</p>

Output Results	Year Main contributors Product types	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High impact	
					Non-response rate of 34%
OECD Project On Harmful Tax Practices, including <ul style="list-style-type: none"> • 2006 Update On Progress in Member Countries • Note On Luxembourg's family estate planning company « Société De Gestion De Patrimoine Familial » (Spf) And Self-Review • Global Forum on Taxation (predecessor to Global Forum on Transparency and Exchange of Information for Tax Purposes) 	2005-08 CFA, HTP Peer reviews or surveys; Evaluation	100%	88%	83%	<p>Harmful tax project has provided useful background information in assessing policy options that may have the potential to be harmful (in a tax competition sense). The work of the Global Forum on Taxation was useful in targeting tax information exchange negotiations and the development of additional benefits agreements (Australia).</p> <p>The question on harmful tax practices is also an important political issue. It is important to counteract tax regimes in other countries with harmful effects for <i>Danish</i> Taxation. This OECD work has importance for the corresponding work in the EU Code of Conduct Group (Business taxation). It is also important for key officials to be able to refer to the OECD work in a political context.</p> <p>Model TIEA and OECD EoI Article are used in relevant negotiations (Ireland).</p> <p>We always have a concern about what kind of tax system is considered to be harmful in the context of a Harmful Tax Practice, so we sometimes refer to publications about it (Japan).</p> <p>It was applied for amending our legislation (Korea).</p> <p>Documents that are being produced by this Forum are taken into consideration in the process of drafting new or amending existing tax legislation. Documents were also used when <i>Slovenia</i> made self-assessment of the potential harmful tax regimes in the process of accession to the OECD.</p>
Products in the area of Tax Crimes and Money Laundering, including <ul style="list-style-type: none"> • Survey (updated) on access for tax authorities to information gathered by Money Laundering authorities • Report on abuse of charities • Guidelines on Tax Crimes and Money Laundering • Report on Tax Fraud and Money Laundering Vulnerabilities Involving the Real Estate Sector 	2005-08 CFA, WP8 Peer Review, Good practice reports; Guidelines	96%	86%	82%	<p>These products are used as sources of intelligence when developing risk assessments and treatment strategies related to the Tax Crime risk (Australia).</p> <p>Tax Crimes and Money Laundering are often connected. The co-operation between tax authorities and police authorities are therefore important. Key officials in our Anti Fraud Unit are highly aware of this OECD-work (Denmark).</p> <p>As Revenue has full direct access to all Money Laundering (ML) disclosures since 2003, the survey serves simply as a reference document as to the position in other states. The guidelines on tax crimes and ML serve to broaden the knowledge of the officers in the Suspicious Transactions Report Office. Sectoral reports are can assist in assessing reports from the relevant sector and can also help Revenue in the provision of feedback as required</p>

Output Results	Year Main contributors Product types	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High impact	
					<p>by the ML Directive (Ireland).</p> <p>We sometimes make use of these products in order to promote information exchange between different authorities (Japan).</p> <p>It is used for our references (Korea).</p> <p>Documents that are being produced by this Forum are taken into consideration in the process of drafting new tax legislation (Slovenia).</p> <p>Non-response rate of 34%</p>
<p>2009 Recommendation of the Council on Tax Measures for Further Combating Bribery of Foreign Public Officials in International Business Transactions (Following on from the 1996 Recommendation)</p>	<p>2007-08</p> <p>WP8, CFA [and Working Group on Bribery]</p> <p>Policy Recommendation</p>	96%	83%	74%	<p>This is not a significant issue for <i>Australia</i>.</p> <p>Although we do not consider bribery as a great problem for <i>Danish</i> taxation, it is important to avoid that Danish enterprises pay bribes to public officials of other countries. Key officials responsible for case by case administration are aware of the OECD products on combating bribery as there is no tax deduction for such payments.</p> <p>In 2008, <i>Ireland</i> introduced legislation that explicitly denied the tax deductibility of bribes.</p> <p>We are very much aware of the recommendations and work to transfer the information to the relevant bodies by publication order execution of the Income Tax and implementation of the knowledge among tax supervisors (Israel)</p> <p>In 2006, the <i>Japanese</i> government amended Income Tax Act and the Corporate Tax Act to explicitly deny tax deduction of bribe payments to domestic and foreign public officials. After that we sometimes refer to the recommendation of 2009 to plan effective training for tax examiners.</p> <p>It is used for our references. International comparisons are used in setting policy. Used as background documentation to inform policy makers (Korea).</p> <p>Has had some influence on domestic legislation (Netherlands).</p> <p>This group of products has an impact on drafting of domestic tax legislation (definitions, recognising as non deductible expenses) (Slovenia).</p> <p>Non-response rate of 34%</p>
<p>Products in the area of tax administration, including</p> <ul style="list-style-type: none"> Tax Administration in OECD and Selected Non-OECD Countries: Comparative Information Series (2004, 2006 & 2008) 	<p>2005-08</p> <p>CFA, FTA</p> <p>Benchmarkin</p>	96%	92%	74%	<p>The survey is useful in benchmarking our performance with other countries (Australia)</p> <p>It is a political goal to reduce the public administration, also the tax administration. We therefore attach great importance to the OECD products</p>

Output Results	Year Main contributors Product types	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High impact	
	g study				<p>that can assist in this respect (Denmark).</p> <p>The Comparative Information Series is a very useful source of information on OECD and non-OECD tax administrations. Revenue, (Irish Tax and Customs) uses the information contained in the report and makes reference to it from time to time when comparing performance against other administrations. The availability of the CIS may need to be advertised more widely as from time to time our organisation is asked to provide information that is available from the CIS (Ireland).</p> <p>We will study the material in the future (Israel).</p> <p>We usually use Comparative Information Series in order to analyse the tax authorities of other jurisdictions (Japan).</p> <p>It is used for our references. International comparisons are used in setting policy. Used as background documentation to inform policy makers (Korea).</p> <p>This group of products has an impact on working field of Tax administration, i.e. finding the best practices of other Tax administration. Documents are also used as a source when implementing amendments for legislation regarding organisation of Tax Administration (Slovenia).</p> <p>Non-response rate of 34%</p>
<p>Guidance notes on compliance issues</p> <ul style="list-style-type: none"> • Strengthening Tax Audit Capabilities: Innovative Approaches to improve the Efficiency and Effectiveness of Indirect Income Measurement Methods • Strengthening Tax Audit Capabilities: Audit Workforce Management Survey Findings and Observations • Strengthening Tax Audit Capabilities: General Principles and Approaches • Workshop Report on Compliance Measurement and Evaluation • Report on the Survey of Country Practices in Debt Collection & Overdue Returns Enforcement • Monitoring Taxpayers' Compliance: A Practical Guide Based on Revenue Body Experience (2008) 	<p>2005-08 CFA, FTA Good practice reports; Guidelines, Declarations (Soft Law)</p>	83%	86%	82%	<p>“A practical guide” has been used extensively as a key input into the development of compliance approaches in the ATO. Other guidance notes have been useful and relevant in terms of the development of compliance practices in the ATO (Australia).</p> <p>It is a political goal to reduce the public administration, also the tax administration. At the same time there is a balance between reducing the administration and maintaining the compliance of the tax rules. We therefore attach great importance to the OECD products that can assist to improve the efficiency and effectiveness (Denmark).</p> <p>Revenue either participated in the groups that compiled the product or contributed best practice examples for inclusion in the reports. Revenue is always seeking ways to improve compliance and relevant OECD FTA publications are referenced when compliance programmes are being reviewed and improved as they reflect up-to-date approaches to the subject matter (Ireland).</p> <p>We make use of these products in limited cases (Japan).</p> <p>It is used for our references (Korea).</p>

Output Results	Year Main contributors Product types	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High impact	
					<p>The reports on monitoring compliance have been used in the development of revenue body's compliance strategy (Netherlands).</p> <p>This group of products has an impact on working field of Tax administration (Slovenia).</p> <p>Non-response rate of 34%</p>
<p>Guidance notes and papers in the area of taxpayer service delivery matters</p> <ul style="list-style-type: none"> • Programs to Reduce the Administrative Burden Resulting from Tax Regulations in Selected Countries • Third Party Reporting Arrangements and Pre-filled Tax Returns: The Danish and Swedish Approaches • Application Software Solutions Being Used to Support the Technical Architecture of Selected Revenue Bodies • Management of Email • Strategies for Improving the Take-up Rates of Electronic Services • Using Third Party Information Reports to Assist Taxpayers Meet their Return Filing Obligations: Country Experiences With the Use of Pre-populated Personal Tax Returns • Guidance on Tax Compliance for Business and Accounting Software (GTCBAS) • Guidance for the Standard Audit File-Tax (SAF-T) • Survey of Trends in Taxpayer Service Delivery Using New Technologies • Achieving Success With Electronic Services: The Importance of Having a Sound Business Architecture 	<p>2005-08</p> <p>Good practice reports</p> <p>CFA, FTA</p>	91%	91%	82%	<p>Electronic Services Studies have been most useful regarding strategies to increase take-up (Australia).</p> <p>It is a political goal to reduce the public administration, also the tax administration. We have already important experience with third party reporting and pre-filled tax return which we have shared with other OECD-countries. To achieve further progress in this area we attach great importance to the OECD products in the area of taxpayer service delivery matters. Key officials are considering the OECD work when they consider ways to get the needed information "through the front door" at a low expense (Denmark).</p> <p>Revenue either participated in the groups that compiled the product or contributed best practice examples for inclusion in the reports. Revenue is always seeking ways to improve taxpayer services and relevant OECD FTA publications are referenced when these programmes are being reviewed and improved as they reflect up-to-date approaches to the subject matter (Ireland).</p> <p>We intend to assimilate the knowledge in the future (Israel).</p> <p>We make use of these products in limited cases (Japan).</p> <p>The aims of the product are clearly completed and understood. This product is expected to improve our government tax policy (Korea).</p> <p>Reports on Business and Accounting software provide valuable reference (Netherlands).</p> <p>This group of products has an impact on working field of Tax administration (Slovenia).</p> <p>Non-response rate of 34%</p>
<p>Guidance notes in the area of corporate management topics</p> <ul style="list-style-type: none"> • Study into the Role of Tax Intermediaries • Programs to Reduce the Administrative Burden Resulting from Tax Regulations in Selected Countries • Third Party Reporting Arrangements and Pre-filled Tax 	<p>2007-08</p> <p>CFA, FTA</p> <p>Guidelines, Declarations</p>	95%	86%	64%	<p>The OECD Study into the Role of Tax Intermediaries is routinely considered in the context of the <i>Australian</i> financial services businesses specifically domestic banks, foreign banks and wider funds management industry. That Report and the OECD report on Losses in the Banking Sector are routinely considered in the development and ongoing administration of</p>

Output Results	Year Main contributors Product types	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High impact	
Returns: The Danish and Swedish Approaches	(Soft Law); Good practice reports				<p>the ATO’s compliance approach. The work has proven to be useful in terms of global insights and how these impact on the Australian tax and financial systems. OECD reports and guidance in relation to the administrative burden as well as pre filling and reporting arrangements are considered in the context of the ATO’s compliance program. The guidance has proven useful in the large business segment in the context of real time compliance.</p> <p>It is a political goal to reduce the public administration, also the tax administration. We have already important experience with third party reporting and pre-filled tax return which we have shared with other OECD-countries. To achieve further progress in this area we attach great importance to the OECD products in the area of taxpayer service delivery matters. Key officials are considering the OECD work when they consider ways to get the needed information “through the front door” at a low expense (Denmark).</p> <p>Revenue either participated in the groups that compiled the product or contributed best practice examples for inclusion in the reports. Revenue is always seeking ways to improve compliance initiatives and reduce administrative burden and relevant OECD FTA publications are referenced when these programmes are being reviewed and improved as they reflect up-to-date approaches to the subject matter. In particular Revenue played a key role in the Study into the Role of Tax Intermediaries based on our approaches to consultation with taxpayer representatives and co-operative compliance with taxpayers (Ireland).</p> <p>We will work to increase the awareness (Israel).</p> <p>We consider Study into the Role of Tax Intermediaries to be so useful that we share it through our intra-net (Japan).</p> <p>This group of products has an impact on working field of Tax administration (voluntary compliance, e-taxes system, horizontal monitoring project) (Slovenia).</p> <p>Non-response rate of 34%</p>
International Tax Dialogue Web-Site and annual report	2005-08 Data; Outreach CFA, WP8, WP9, FTA, GFTX	79%	58%	47%	<p>The ATO does interact with the website and contribute documents (Australia).</p> <p>The ITD assist in getting information on other countries legislation and practice (Denmark).</p> <p>Very useful one-stop-shop website source of emerging developments in tax administration (Ireland).</p> <p>Aware (Israel)</p>

Output Results	Year Main contributors Product types	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High impact	
					<p>We sometimes make use of reports and analysis uploaded in the International Tax Dialogue Website (Japan).</p> <p>Unawareness of ITD Product/Publications (Korea).</p> <p>This group of products has an impact on development of policy papers (Slovenia).</p> <p>Non-response rate of 43%</p>

Source: Evaluation Survey

Table 11 Awareness, use and impact of products in the area of Output Group 3.3 – Taxation (2009-10)

Product groups	Year Main contributors Product type	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High (potential) impacts on policy development	
Updates and extension of the Model Tax Convention: five recommendations • 2010 Update to the Model Tax Convention	2009-10	100%	NA	100%	Actual impact: 87%
Updates and Extension of Transfer Pricing Guidelines • Revision of the Recommendation of the Council on Attribution of Profits to Permanent Establishments • Revision of the Recommendation of the Council on the Determination of Transfer Pricing between Associated Enterprises	2009-10	100%	NA	100%	
Statistical publications and update of the OECD tax database • Revenue Statistics (December 2010) • Taxing Wages (May 2010) • Improving the information in Taxing Wages [Special feature on non-tax compulsory payments as an additional burden of labour income included in the publication. Provisions made for future collection of this additional information] • Up-date of the OECD Tax Data Base	2009-10	100%	NA	97%	Actual impact: 79%
International VAT/GST Guidelines • OECD VAT/GST Guidelines - Customer Location (2010) • Guidelines on the application of VAT/GST to the international trade in services and intangibles (2010) • Consumption Taxes Applied to Telecommunication Services Outcomes of the Survey (2010) • International VAT/GST Guidelines Draft Guidelines on Neutrality (2010)	2009-10	93%	NA	88%	Actual impact: 77%
Annual Report on Current Tax Reform Issues • Tax Policy Reform and Fiscal Consolidation (2010) • Tax Policy Measures Questionnaire: Progress Report (2010) • Taxation, Innovation and the Environment (2010) • Towards Green Growth • Contribution to section on tax expenditures to the report of four international organisations to the G20 on the scope of energy subsidies • Trends in Top Incomes and Income Inequality and their Implications for Tax Policy: Further Analysis • Trends in Top Incomes And their Tax Policy Implications	2009-10	96%	NA	96%	Actual impact: 88%

Product groups	Year Main contributors Product type	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High (potential) impacts on policy development	
Reports on current high-level tax policy issues <ul style="list-style-type: none"> • Tax Policy Study No. 19: Choosing a Broad Base – Low Rate Approach to Taxation (2010) • Tax Policy Study No. 20 - Tax Policy Reform and Economic Growth (2010) 	2009-10	93%	NA	100%	Actual impact: 92%
Strategic engagement and collaboration with non-Members through international co-operation and events on international tax policy and administrative matters <ul style="list-style-type: none"> • Report by the Secretariat on the 15th Annual International Meeting on Tax Treaties • Multilateral and bilateral events to ensure adoption and proper application of the arm's length principle by non Member countries and understand their perspectives (25 events in 2009 and 21 in 2010) • Multilateral and bilateral events on tax policy and tax statistics: <ul style="list-style-type: none"> ○ Bangkok, Thailand (July 2009) ○ Mexico (Nov/Dec 2009) • Tax policy workshop in Seoul, South Korea (March 2010) • Multilateral and bilateral events on effective exchange of information, on money laundering and bribery awareness for tax examiners (2 events in 2009 and 5 in 2010) • Multilateral and bilateral events on international guidelines on VAT/GST: High-level International VAT Conference, Lucerne, Switzerland (September 2009) • Conference on VAT Compliance, Yangzhou, People's Republic of China (Aug/Sept 2009 and Sept 2010) • Multilateral and bilateral events on best practices in tax administrations including an additional focus on the South East Asian region: 21 Global relations tax events were held in the ASEAN region in 2009, and 26 in 2010. • Annual multilateral event to get non-Member feedback on development of the overall outreach programme and on joint work with DAC on tax and governance: Annual Advisory group meetings with participation from NOEs (2009 and 2010) • Programme development and delivery - Developed and delivered 72 Global events in 2009 and 72 events in 2010 • Development of tax policy indicators under the MENA and SEE projects: <ul style="list-style-type: none"> ○ SEE - Investment Reform Index (IRI) indicators. These indicators were developed and implemented for SEE countries. Chapter 6 (Tax Policy Analysis) of the OECD publication, Investment Reform Index 2010 - Monitoring Policies and Institutions for Direct Investment in South East Europe 	2009-10	89%	NA	94%	Actual impact: 88% Non-response rate of 51%

Product groups	Year Main contributors Product type	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High (potential) impacts on policy development	
<ul style="list-style-type: none"> ○ MENA - Business Climate Development Strategy (BCDS) indicators. These indicators were developed and implemented for Egypt and Morocco 					
Updated directory on aggressive tax planning schemes <ul style="list-style-type: none"> • Aggressive Tax Planning Directory • Publication entitled <i>Engaging with High Net Worth Individuals on Tax Compliance</i> (2009) • Report on Hybrid Mismatch Arrangements (2010) • Publication entitled <i>Addressing Tax Risks Involving Bank Losses</i> (2010) • Tax Inspectors meeting on VAT fraud and evasion (September 2009) 	2009-10	96%	NA	96%	Actual impact: 79%
Practical recommendations, good practices and strategies for improving the efficiency and effectiveness of exchange of information <ul style="list-style-type: none"> • Revised Guidance Note on Encouraging and Promoting Spontaneous Exchange of Information • Tool kit for automatic exchange of information • Update of the OECD secure website for tax officials on exchange of information and collection assistance • Draft Implementation Package released for Public Consultation (partially completed 2010) 	2009-10	93%	NA	96%	
The 2000 OECD Report on Improving Access to Bank Information for Tax Purposes Report entitled <i>Framework for Successful Offshore Voluntary Compliance Programmes</i> (2009)	2009-10	96%	NA	92%	Actual impact: 81%
Criminal typologies, a Guidance Handbook for Tax Auditors and an Updated Survey of tax administrations' access to data collected by anti-money laundering authorities (work carried out in co-operation with the FATF) <ul style="list-style-type: none"> • Money Laundering Awareness Handbook for Tax Examiners and Tax Auditors (2009) • Note on Tax Evasion as a Predicate Offence to Money Laundering (2009) • Recommendation of the Council to Facilitate Co-operation between Tax and Other Law Enforcement Authorities to Combat Serious Crimes (2010) • Report on Abuse of Charities for Money-Laundering and Tax Evasion (2009) • Money Laundering through the Football Sector (2009) • Sales Suppression Software - A Major Tool for Tax Evasion and a Major Concern for Tax Administrations (2010) 	2009-10	92%	NA	91%	Actual impact: 83% Non-response rate of 34%

Product groups	Year Main contributors Product type	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High (potential) impacts on policy development	
Input to tax aspects of OECD's work on bribery: analytical reports <ul style="list-style-type: none"> Recommendation of The Council on Tax Measures for Further Combating Bribery of Foreign Public Officials in International Business Transactions (2009) Up-dated version of <i>The OECD Bribery Awareness Handbook for Tax Examiners</i> (2009) 	2009-10	96%	NA	76%	Actual impact: 64%
Tax Haven Work: Annual updates of the factual assessment of the progress made towards a level playing field <ul style="list-style-type: none"> Tax Co-operation 2009: Towards a Level Playing Field - 2009 Assessment by the Global Forum on Transparency and Exchange of Information (2009) Tax Co-operation 2010: Towards a Level Playing Field - 2010 Assessment by the Global Forum on Transparency and Exchange of Information (2010) 	2009-10	93%	NA	100%	Actual impact: 96%
Monitoring preferential tax regimes that member countries think raise concerns under the preferential regime criteria Revised Note On Luxembourg's « Société de gestion de patrimoine familial » (Spf) and Self-Review (2010)	2009-10	96%	NA	80%	Actual impact: 75%
A report identifying targeted defensive measures that could be implemented relatively easily by one or more OECD countries Update on Defensive Measures	2009-10	89%	NA	83%	Actual impact: 63%
Guidance and information notes for tax administrations on tax compliance issues and taxpayer service delivery issues <ul style="list-style-type: none"> Guidance Note - Evaluating the Effectiveness of Compliance Risk Treatment Strategies (2010) Information Note -Understanding and Influencing Taxpayers' Compliance Behaviour (2010) Joint Audit Report and Joint Audit Participants Guide Report (2010) A Framework for a Voluntary Code of Conduct for Revenue Bodies and Banks (2010) Guidance Note - Guidance and Specifications for Tax Compliance of Business and Accounting Software (2010) Guidance Note - Guidance on Test Procedures for Tax Audit Assurance (2010) Information Note - Tax Compliance and Tax Accounting Systems (2010) Information Note - Withholding & Information Reporting Regimes for SMEs & Self-employed Taxpayers (2009) Information Note - Developments in VAT Compliance Management in Selected Countries (2009) Guidance Note - Experiences and Practices of Eight OECD Countries (2009) 	2009-10	92%	NA	100%	Actual impact: 95% Non-response rate of 37%

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Product groups	Year Main contributors Product type	% Members responding			Observations
		Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High (potential) impacts on policy development	
<ul style="list-style-type: none"> Information Note - Managing and Improving Compliance: Recent Developments in Compliance Risk Treatments (2009) Companion Note. Managing and Improving Compliance: Recent Developments in Compliance Risk Treatments: A Catalogue of Revenue Body Initiatives (2009) Information Note - Tax Reference Model - Application Software Solutions Being Used to Support Revenue Administration in Selected Countries (2010) Guidance Note - Standard Business Reporting (2009) Publications entitled <i>Engaging with High Net Worth Individuals on Tax Compliance</i> and <i>Building Transparent Tax Compliance by Banks</i> (2009) 					
Studies on general tax administration <ul style="list-style-type: none"> <i>Tax Administration in OECD and Selected Non-OECD Countries: Comparative Information Series (2008)</i> (published in 2009) <i>Tax Administration in OECD and Selected Non-OECD Countries: Comparative Information Series (2010)</i> (published in 2011) 	2009-10	96%	NA	84%	Actual impact: 80%
Annual report on the outcomes of the International Tax Dialogue (2009 and 2010).	2009-10	70%	NA	71%	Non-response rate of 60%

Source: PIR

Table 12 Synthesis of Awareness, Use and Impact Assessment Results

Product groups	Main contributors	Year	% Members responding		
			Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High (potential) impacts on opinion forming/policy development
Updates and extension of the Model Tax Convention	CFA, WP1	2009-10	100%	NA	100%
	CFA, WP1, WP6	2005-08	100%	100%	100%
Updates and Extension of Transfer Pricing Guidelines	CFA, WP6	2009-10	100%	NA	100%
	CFA, WP6	2005-08	100%	100%	96%
Publications on topical tax policy issues	CFA, WP2	2009-10	93%	NA	100%
	CFA, WP2	2005-08	96%	96%	91%
Instruments and products in the area of tax co-operation, including 'Towards a level-playing' field reports	CFA, GTFX, HTP	2009-10	93%	NA	100%
	CFA, WP8, GTFX, HTP	2005-08	100%	92%	84%
Guidance and information notes for tax administrations on tax compliance issues and taxpayer service delivery issues	CFA, FTA	2009-10	92%	NA	100%
	CFA, FTA	2005-08 'Service delivery'	91%	91%	82%
	CFA, FTA	2005-08 'Compliance'	83%	86%	82%
Monitoring preferential tax regimes that member countries think raise concerns under the preferential regime criteria	CFA, HTP	2009-10	96%	NA	100%
Statistical publications on taxes and revenue and update of the OECD tax database	CFA, WP2	2009-10	100%	NA	97%
	CFA, WP2	2005-08	100%	100%	91%
Strategic engagement and collaboration with non-Members through international co-operation and events on international tax policy and administrative matters	CFA, BCNOE, all sub-bodies	2009-10	89%	NA	94%
Aggressive Tax Planning Directory and related reports	CFA, WP8, WP9	2009-10	96%	NA	96%

Product groups	Main contributors	Year	% Members responding		
			Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High (potential) impacts on opinion forming/policy development
on aggressive tax planning schemes	CFA, WP8	2005-08	91%	91%	87%
Products in the area of exchange of information and assistance in tax collection	CFA, WP8, WP9	2009-10	93%	NA	96%
	CFA, WP8	2005-08	100%	100%	100%
Annual Report on Current Tax Reform Issues	CFA, WP2	2009-10	96%	NA	96%
The 2000 OECD Report on Improving Access to Bank Information for Tax Purposes	CFA, WP8	2009-10	96%	NA	92%
	CFA, WP8	2005-08	96%	87%	83%
Products in the area of Tax Crimes and Money Laundering (including Handbook for Tax Auditors, Survey of tax administrations' access to data collected by anti-money laundering authorities)	CFA, WP8	2009-10	92%	NA	91%
	CFA, WP8	2005-08	96%	86%	82%
International VAT/GST Guidelines and related elements and products in the area of consumption taxes	CFA, WP9	2009-10	93%	NA	88%
	CFA, WP9, BCNOE	2005-08 'Other products'	96%	75%	65%
	CFA, WP9	2005-08 'Guidelines'	96%	73%	57%
Products in the area of tax administration (including Comparative information Series)	CFA, FTA	2009-10	96%	NA	84%
	CFA, FTA	2005-08	96%	92%	74%
Input to tax aspects of OECD's work on bribery: analytical reports (Following on from the 1996 Recommendation of the Council on Tax Measures for Further Combating Bribery of Foreign Public Officials in International Business	CFA, WP8	2009-10	96%	NA	76%
	CFA, WP8	2005-08	96%	83%	74%

Product groups	Main contributors	Year	% Members responding		
			Medium to Very High level of awareness	Medium to Very High level of use	Medium to Very High (potential) impacts on opinion forming/policy development
Transactions)					
OECD Project On Harmful Tax Practices	CFA, HTP	2005-08	100%	88%	83%
Guidance notes in the area of corporate management topics	CFA, FTA	2005-08	95%	86%	64%
International Tax Dialogue Web-Site and annual report on the outcomes of the International Tax Dialogue	CFA/ITD	2009-10	70%	NA	71%
	CFA, WP8, WP9, FTA, GTFX	2005-08	79%	58%	47%

4.2 *Analysis of effectiveness in the longer term*

162. Members' policymakers were also asked to make an assessment of the longer term and more cumulative contribution of the work of the Committee to lasting policy developments and reforms.

163. All responses to the survey indicate that the work of the Committee has been making a significant contribution (i.e. rated *medium* or higher) to long-lasting policy change, with feedback emphasising that the CFA has set the standards for international taxation and has strongly contributed to domestic tax policy reforms.

ANNEX II

METHODOLOGY

1. Approach and implementation

164. This In-depth Evaluation was conducted between January and November 2011. The focus of the exercise is on the Output Results for which the Committee and its sub-bodies are accountable, as well as the policy use and impacts resulting from them. It covers the period as of 2004 to 2011 with regard to the functioning of the Committee, and 2005 to 2010 in the case of the impacts of its work. The following documents present the basic methodological framework used to guide the exercise:⁸⁵

- *Implementing In-depth Evaluation of OECD Committees* [[C/ESG\(2005\)1](#)];
- *In-depth Evaluation of OECD Committees. Terms of Reference* [[CEV\(2011\)1](#)].

165. The following data collection tools and sources of data were mobilised in the course of the evaluation:

- **A survey** addressed to relevant policymakers in Member-country governments, the European Commission. The questionnaire was sent to the Permanent Delegations which were requested to forward them to the relevant ministries, agencies, etc. Data collected through the questionnaire survey reflect informed opinions of policymakers in Capitals. In total, 26 Members responded, a participation rate of 74.3%, or 84.7% when weighted by Members' contributions.
- **Interviews** with delegates, OECD officials and representatives of other stakeholders (47 in total). Members of the Committee bureau and chairs of its sub-bodies were systematically invited to be interviewed. Other delegates with a minimum of experience in the Committee were invited at random. Interviewees from among OECD officials were selected on the basis of recommendations from management. Data collected in interviews consist both of highly informed opinions and factual descriptions.
- **Review of existing data and documentation** (i.e. secondary data), in particular
 - mandates;
 - summary reports of meetings;
 - other key documents relating to the Committee's Work Programme;
 - Programme of Work and Budget (PWB) 2005-06, 2007-08 and 2009-10;
 - Medium-term Orientation Surveys (MTO) 2003, 2005 and 2007.

85. As modified by [C\(2006\)98](#) & [C/M\(2006\)12/PROV](#), [C\(2006\)124/REV1](#) & [C/M\(2006\)16/PROV](#), and [C\(2008\)9](#) & [C/M\(2008\)4/PROV](#).

166. The analysis of data took three forms:

- data generated by the survey questionnaire were mainly quantitative in nature and were the object of a basic statistical analysis;
- data generated by the interviews were analysed to look for explanations of various phenomena primarily related to the functioning of the body and concrete examples of the influence of Output Results on policymaking for Members. The results of these analyses are presented in this report in such a way as to highlight the salient tendencies that emerge from interviews, or conversely, to highlight where there is a strong polarisation of viewpoints. Interview data are not attributed to individual interviewees, thus respecting their right to confidentiality. Where relevant, interview data are attributed to categories of interviewees (i.e. delegates, OECD officials, policymakers, other stakeholders);
- the results of the above analyses along with secondary data are analysed qualitatively with respect to the evaluation criteria and questions using a pattern matching approach.

2. Evaluation criteria and ratings

167. Committee performance is assessed by the Evaluation Committee and presented in a standardised form of qualitative rating of in respect to the evaluation criteria using the following scale: very low, low, medium, high, or very high.

168. The evaluation criteria correspond with those widely used by evaluation practitioners and are adapted to the specific situation of evaluating OECD committees. Their definition and how ratings are made are described below.

2.1 *Relevance*

169. The evaluation criterion of relevance is defined as whether a committee is addressing Member governments' and the European Union's policy needs and is likely to continue to do so in the medium term.

170. The assessment of relevance draws on three major components:

- the results of the MTO/MTP exercises provide a picture of the relevance of a particular policy area (defined as a PWB Output Area) for which a committee is wholly or partially responsible;
- the degree of capital-based delegate participation (i.e. the proportion of capitals represented by home-based rather than delegation-based delegates) and the interest of a wider range of stakeholders provide broad picture of the relevance of the work being done in a committee;
- the extent to which the explicitly stated policy objectives (within the PWB and/or mandate) of a committee correspond, and will continue to correspond in the medium term, with the needs of policymakers in Members.

171. Concerning the first two elements, which are part of a broad assessment of the overall relevance of a committee's work, the MTO/MTP exercise has the highest weight. The assessment of the relevance of committee objectives is given the same weight as the two first elements combined.

172. As a result, when most of the objectives of a committee are not addressing important issues for Members' policymakers, it will initially receive a low rating which would be modulated by the MTO/MTP results the degree of capital based participation. The interest of wider stakeholders may also be taken into

account, as necessary. Similarly, when most objectives are aligned with policy issues of high importance, the initial rating will be high, to be eventually modulated as above.

173. A second level of analysis of questionnaire data is undertaken, as necessary, which involves looking at the extent to which objectives are identified as corresponding with *rising* policy needs.

174. It should be noted that a low rating in respect to the criterion of relevance does not necessarily call into question the importance of a particular policy area to the OECD as an organisation (it is the MTO/MTP exercise that performs this function, but raises issues about what a committee's work in the policy area is aiming to achieve).

2.2 *Efficiency*

175. The evaluation criterion of efficiency is defined *as whether a Committee is optimising the relation between its financial and human resource inputs and the quality of its Output Results, with a particular emphasis on its orientation and functioning as key factors.*

176. The assessment of efficiency draws on the following major components:

- An analysis of the extent to which a committee provides itself with sufficiently clear orientations and functions in a satisfactory manner. The major elements considered in this context are:
 - the contents of the mandate (i.e. as a minimum presenting a series of policy objectives and describing the means by which a committee intends to achieve them);
 - the prioritisation of projects (including the respect of resource constraints on implementing the resulting work programme);
 - co-ordination between a parent body and its substructure (ensuring optimal functioning of a committee as a whole);
 - a committee's working methods (and their consequences for the conducting of its work/implementation of its Work Programme);
 - interactions with other OECD committees (how well, to what effect, etc.);
 - interactions with organisations outside the OECD (how well, to what effect, etc.);
 - resources;
- An assessment of the quality of Output Results.

177. An Output Result is considered positively if two-thirds of Members replying to the survey score it as being of at least *high* quality. Where comments on the quality of Output Results are provided (primarily by other stakeholders) these give an illustration of the attributes of Output Results from a broader perspective.

178. To arrive at an overall assessment, the proportion of Output Results rated positively in quality terms is compared against the draw of the committee on the Part I budget, and problems/satisfactory practices related to its orientation or functioning are factored in to the analysis. By way of an example, for a committee with a moderate Part I budget allocation (e.g. situated in the 3rd quintile of Output Areas) to have a medium rating with respect to the criterion of efficiency, it would generally need to have around 50% of its Output Results rated as being of high quality, while at the same time not encountering any serious operational difficulties.

2.3 Effectiveness

179. The evaluation criteria of effectiveness relates to the extent to which a committee's work has had policy impacts and their long-lasting nature. It is defined as *whether Output Results are being widely used and if they are bringing about widespread policy development impacts [and if they are] contributing towards long-lasting changes in Member governments' and the European Commission's policy.*

180. The assessment draws mainly on data generated by the questionnaire survey and the PIR exercise and follows a logical chain of reasoning: for policy development impacts to occur, Output Results have to be used by policymakers, and for them to be used, policymakers must at the very least be aware that they exist.

181. A broad notion of policy development impacts is used as illustrated in questionnaires received by policymakers on the basis of a committee's own description of the type of policy impacts that it intends to bring about. A similar illustration of the sort of use that Output Results are likely to be put to is also provided in the questionnaire.

182. Data from questionnaires is processed and categorised as responses ranging from *very low* to *very high*. The benchmark for an Output Result to have a positive result is that it has at least a *medium* impact on policy development in one-half or more of Members.

183. Observations and examples of use provided by policymakers via the questionnaire and other stakeholders via interviews are provided alongside the quantitative results.

184. For the overall assessment of effectiveness, a committee which has around 50% of its Output Results corresponding with the abovementioned benchmark would be given a medium rating. This would be modulated on the basis of the extent to which its policy impacts are long lasting (the benchmark for this dimension is that one-half or more of responses state that long-lasting policy changes are underway and that the OECD's contribution to this dynamic is either *medium* or *high*). It may also be modulated on the basis of other factors, for example the degree of coherence between the Output Results being produced by a committee and its policy objectives.

185. When Output Results by their nature do not necessarily have a distinct impact, as in the case of statistics, they are assessed against the abovementioned benchmark on the basis of their use by policymakers.

186. In the case of policy fields where EU Member States policymaking role is shared to a great extent with the European Commission, assessments of these countries of the use of Output Results are used instead of their impacts.

3. Questionnaire and PIR survey

3.1 Responses

187. Twenty-six questionnaires in total were completed and returned by Members' policymakers. The ministries, departments and agencies having contributed to the survey are listed in the tables below.

AUSTRALIA	Treasury Australian Taxation Office	
AUSTRIA	Ministry of Finance/International Division	
CHILE	SII	
CZECH REPUBLIC	Ministry of Finance	
DENMARK	Ministry of Taxation	
ESTONIA	Ministry of Finance	
EUROPEAN COMMISSION	TAXUD D TAXUD C1 TAXUD D1	
FINLAND	Ministry of Finance Tax Administration	
FRANCE	Direction de la législation fiscale Direction de la législation fiscale – Bureau E2 DGFIP	
GERMANY	Ministry of Finance	Tax Department, International Taxation
GREECE	Ministry of Economy and Finance	
IRELAND	Revenue Commissioners	
ISRAEL	State Revenue Administration	
ITALY	Ministry of Economy and Finance	Dept. of Finance
JAPAN	Ministry of Finance	
KOREA	National Tax Service	International Cooperation Div.
MEXICO	Tax Administration Service Secretaría de Hacienda y Crédito Público	Unidad de Política de Ingresos Unidad de Legislación Tributaria
NETHERLANDS	Ministry of Finance	
NEW ZEALAND	Inland Revenue	
POLAND	Ministry of Finance	Tax Policy Department
PORTUGAL	Ministry of Finance	Directorate General of Taxation - CEF
SLOVENIA	Ministry of Finance Tax Administration	
SPAIN	Ministry of Finance	
SWEDEN	Ministry of Finance Ministry of Finance	Tax and Customs Department
SWITZERLAND	Federal Tax Administration FTA State Secretariat for International Financial Matters SIF	
UNITED STATES	U.S. Department of the Treasury U.S. Internal Revenue Service	

3.2 *PIR data*

188. PIR data covers the quality and (potential) impact of Output Results. It is also possible to distinguish between three possible motivations for non-responses in the case of specific Output Results:

- NA1: Unaware of the Output Result;
- NA2: Cannot Assess due to non-participation;
- NA3: Choose to make no response.

189. The calculation of the indicator for awareness was made in the following way:

- Number of responses / (number of responses + number of NA1 non-responses)

190. The calculation of the indicator for impact was made in the following way:

- Number of *Medium*, *High* and *Very High* responses / (number of responses + number of NA1 non-responses).

4. Persons interviewed

4.1 Delegates

Paolo ACCIARI (Vice-Chair of WP2, Italy); Masatsugu ASAKAWA (Chair of CFA, Japan); Richard BROWN (Chair of WP9, United-Kingdom); Paolo CIOCCA (ex-Chair of CFA, International Fund for Agricultural Development (IFAD)); Manal CORWIN (CFA Delegate, United-States); Sandra DENIS (CFA Delegate, Luxembourg); Jean-Marc FENET (Vice-Chair of FTA, France); Jürg GIRAUDI (CFA Delegate, Switzerland); Per Olav GJESTI (FHTP Delegate, Norway); Thorbjørn GJØLSTAD (Vice-chair of CFA, former Chair of WP8, Norway); Dave HARTNETT (Vice-Chair of FTA, United-Kingdom); Martin JARES (Vice-Chair of WP2, Czech Republic); Liselott KANA (CFA Delegate, Chile); Philip KERMODE (CFA Delegate, European Commission); Dimitra KOULOURI (Vice-Chair of WP9, Greece); Anders KRISTOFFERSSON (Chair of WP2; Co-chair of JMT&E, Sweden); Armando LARA YAFFAR (Chair of WP10, Mexico); Marie-Christine LEPETIT (Deputy-Chair of CFA, France); Michelle LEVAC (Chair of WP6, Canada); Brian MCCAULEY (CFA Delegate, Canada); Gert MÜLLER-GATERMANN (CFA Delegate, Germany); John NASH (Vice-Chair of WP8, New-Zealand); Dmitry NIKOLAEV (Observer, Russian Federation); Robin OLIVER (CFA Delegate, New-Zealand); Michael RAWSTRON (Vice chair of CFA, Australia); Guylaine ROBERT (FTA Delegate, Canada); Philip SCHWEIZER (WP2 and JMT&E Delegate, Austria); Huang SUHUA (Vice-Chair of WP10, China); Franz TOMASEK (Observer, South-Africa); Sven ULSTRUP (CFA Delegate, Denmark); Urs URSPRUNG (CFA Delegate, Switzerland); Christian VALENDUC (CFA Delegate, Belgium); Edwin VISSER (Chair of BCNOE, Netherlands); Mike WILLIAMS (Vice chair of CFA, United-Kingdom).

4.2 OECD officials

Stefaan de BAETS (CTP, Adviser, Transfer Pricing Unit; ex-WP6 Vice-Chair); Stephen MATTHEWS (Tax Policy, Tax Statistics & Horizontal Programmes Division, Head and Chief Economist); Jeffrey OWENS (CTP Director); Richard PARRY (Head of Global Relations Unit); Grace PEREZ-NAVARRO (CTP Deputy Director); Achim PROSS (Head of International Co-operation and Tax Competition Division); Pascal SAINT-AMANS (CTP, Head of the International Co-operation and Tax Competition Division and Head of Global Forum Secretariat).

4.3 Other International organisations and stakeholders

Pierre HABBARD, (TUAC); Michael Keen, (IMF); Chris Lenon, (BIAC); Victoria J. Perry, (IMF); Juan Toro (IMF).

5. Documents consulted

	Committee on Fiscal Affairs Overview, June 2011, CTPA.
CE(2010)13	Committee on Fiscal Affairs: establishment of a Working Party On Exchange Of Information And Tax Compliance and of a Task Force On Tax Crimes And Other Crimes
CE(2011)1	Committee on Fiscal Affairs: establishment of a sub-committee – Treaty Relief And Compliance Enhancement (TRACE) Group

C(2012)14	In-Depth Evaluation of the OECD Environment Policy Committee
CTPA/CFA/BCN(2008)9/CONF	Evolution and responsibilities of the Board and the Advisory Group – a discussion paper
C(2007)52/REV1	Medium-Term Orientations Survey Review
C(2003)202	Exercise on core work and medium-term priorities: results and proposals
	Global relations 2010/2011 Annual Report, CTPA, 2011
CTPA/CFA/BCN(2011)2/CONF	Progress report on Full Participation and Observership
C(2010)119	Draft recommendation of the Council to facilitate co-operation between tax and other law enforcement authorities to combat serious crimes
C(2008)106	Draft recommendation of the Council on attribution of profits to Permanent Establishments
C(2009)88	Revision of the Recommendation of the Council on the Determination of Transfer Pricing Between Associated Enterprises and of the Recommendation of the Council on the Attribution of Profits to Permanent Establishments
C(2010)105	Revision of Recommendation of the Council on Attribution of Profits to Permanent Establishments
CTPA/CFA(2011)12	Proposal to hold an annual meeting on transfer pricing under the auspices of the Global Forum on Tax Treaties and Transfer Pricing
C(2005)188	Report from the Chair of the Budget Committee on the survey of members on Medium-Term Orientations as an input to the 2007-08 Programme of Work And Budget
CTPA/CFA(2011)50	Strategic Priorities for the upcoming biennium
CTPA/CFA/BCN(2011)6/CONF	Summary record of the Advisory Group meeting held on 28-30 March 2011 in Livingstone, Zambia
C(2008)147	Revision of the Mandate of the Committee on Fiscal Affairs
CTPA/CFA(2010)59/CONF	Reviewing the Structure of CFA
	Transparency and Exchange of Information for Tax Purposes: A Proposed Framework for More In-Depth Monitoring and Peer Review, and for restructuring the Global Forum
	Summary of Outcomes of the Meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes held in Mexico on 1-2 September 2009
CTPA/CFA(2005)52	Developing a CFA Communication Strategy
CTPA/CFA(2005)43/CONF	Relations with International Organisations
CTPA/CFA(2005)3	Proposed Framework For the Review of the Activities Carried Out by Subsidiary Bodies
CTPA/CFA(2004)56/CONF	BCNOE: CFA Observership Strategy
CTPA/CFA/ACS(2011)21/CONF	BCNOE: Report On Engagement With Non-OECD Economies
CTPA/CFA(2010)70/CONF	From Enhanced Engagement to a New Partnership
CTPA/CFA/BCN(2010)4/CONF	Strategic Directions for Enhancing our Relationship with Non-OECD Economies
CTPA/CFA/BCN(2010)2/CONF	Evaluation of 2009 Global Relations Programme
CTPA/CFA/BCN(2009)4/CONF	Report on the Evaluation of the 2008 OECD Programme of Co-operation with Non-OECD Economies
CTPA/CFA/BCN(2008)2/CONF	Enhanced Engagement: Objectives, Progress and Funding
CTPA/CFA/BCN(2008)3/CONF	Improving the Board's Global Relations Programme
CTPA/CFA(2005)41/CONF	Impact of CFA's partnership programme with non OECD economies
CTPA/CFA(2005)40/CONF	The CFA partnership with non OECD economies: building the new approach

	Report on the Evaluation of the 2010 OECD Global Relations Programme
CTPA/CFA/BCN(2011)1	A three-year Programme of Co-operation on Taxation between India and the OECD
C(2010)100	Deepening Enhanced Engagement: guidelines to committees
CTPA/CFA/NOE2/M(2011)2/CONF	Draft Summary Record of the 81st Session of the Committee on Fiscal Affairs
CTPA/CFA/NOE2/M(2011)1/CONF	Draft Summary Record of the 80th Session of the Committee on Fiscal Affairs
CTPA/CFA/M(2010)2 CTPA/CFA/NOE2/M(2010)2/CONF CTPA/CFA/ACS/M(2010)2/REV1/CONF	Draft Summary Record of the 79th Session of the Committee on Fiscal Affairs
CTPA/CFA/M(2010)1 CTPA/CFA/NOE2/M(2010)1/REV1/CONF CTPA/CFA/ACS/M(2010)1/CONF	Draft Summary Record of the 78th Session of the Committee on Fiscal Affairs
CTPA/CFA/M(2009)2 CTPA/CFA/NOE2/M(2009)2/REV1/CONF CTPA/CFA/ACS/M(2009)2/CONF	Draft Summary Record of the 77 th Session of the Committee on Fiscal Affairs
CTPA/CFA/M(2009)1 CTPA/CFA/M(2009)1/CONF CTPA/CFA/NOE2/M(2009)1/CONF CTPA/CFA/ACS/M(2009)1	Draft Summary Record of the 76 th Session of the Committee on Fiscal Affairs
CTPA/CFA/M(2008)2/REV1 CTPA/CFA/M(2008)2/CONF CTPA/CFA/NOE2/M(2008)2/REV1/CONF	Revised Summary Record of the 75 th Session of the Committee on Fiscal Affairs
CTPA/CFA/M(2008)1 CTPA/CFA/M(2008)1/REV1/CONF CTPA/CFA/NOE2/M(2008)1/REV1/CONF	Draft summary record of the 74 th session of the Committee on Fiscal Affairs
CTPA/CFA/M(2007)2/REV1 CTPA/CFA/M(2007)2/CONF CTPA/CFA/NOE2/M(2007)2/REV1/CONF	Draft summary record of the 73 rd session of the Committee on Fiscal Affairs
CTPA/CFA/M(2007)1 CTPA/CFA/M(2007)1/CONF CTPA/CFA/NOE2/M(2007)1/CONF	Draft summary record of the 72 nd session of the Committee on Fiscal Affairs
CTPA/CFA/M(2006)2 CTPA/CFA/M(2006)2/CORR1 CTPA/CFA/M(2006)2/ANN1/CONF	Draft summary record of the 71 st session of the Committee on Fiscal Affairs
CTPA/CFA/M(2006)1 CTPA/CFA/M(2006)1/CORR1 CTPA/CFA/M(2006)1/ANN1/CONF	Draft summary record of the 70 th session of the Committee on Fiscal Affairs
CTPA/CFA/M(2005)2/REV1 CTPA/CFA/M(2005)2/ANN1/CONF/REV1	Draft summary record of the 69 th session of the Committee on Fiscal Affairs
CTPA/CFA/M(2005)1 CTPA/CFA/M(2005)1/ANN1/CONF	Draft summary record of the 68 th session of the Committee on Fiscal Affairs
CTPA/CFA/ACS/M(2009)2/CONF	Draft summary record of item iii of the 77th session of the Committee on Fiscal Affairs - work with non-OECD economies
CTPA/CFA/ACS/M(2010)1/CONF	Draft summary record of item viii of the 78th session of the Committee on Fiscal Affairs - work with non-OECD economies
CTPA/CFA/BCN/M(2009)1/CONF	Summary Record for the Meeting of the Board for Co-operation with non-OECD Economies
CTPA/CFA/BCN/M(2008)1/CONF	Summary Record for the Meeting of the Board for Co-operation with non-OECD Economies
CTPA/CFA/BCN/M(2007)1/CONF	8th Annual Meeting of the Board for Co-operation with Non-OECD Economies Summary Record
CTPA/CFA/BCN/M(2006)1/CONF	7th annual Meeting of the Board for Co-operation with Non-OECD Economies Summary Record
COM/ENV/EPOC/CTPA/CFA/M(2010)30	Draft Summary Record for the 14th Joint Meeting on Taxation and Environment
COM/ENV/EPOC/CTPA/CFA/M(2009)42	Draft Minutes: Joint Meeting of Tax and Environment Experts
COM/ENV/EPOC/CTPA/CFA/M(2007)49	Draft Summary Record of the 11th Joint Meeting of Tax and Environment Experts

CTPA/CFA/WP1/NOE2/M(2010)1/CONF	Summary Record of the 89 th Meeting of the Working Party
CTPA/CFA/WP1/NOE2/M(2009)2/CONF	Summary Record of the 88 th Meeting of the Working Party
CTPA/CFA/WP1/NOE2/M(2009)1/CONF	Summary Record of the 87 th Meeting of the Working Party
CTPA/CFA/WP1/NOE2/M(2008)2/CONF	Summary Record of the 86 th Meeting of the Working Party
CTPA/CFA/WP1/NOE2/M(2008)1/CONF	Summary Record of the 85 th Meeting
CTPA/CFA/WP1/NOE2/M(2007)2/CONF	Summary Record of the 84 th Meeting
CTPA/CFA/WP1/NOE2/M(2007)1/CONF	Summary Record of the 83 rd Meeting
CTPA/CFA/WP1/NOE2/M(2006)2/CONF	Summary Record of the 82 nd Meeting
CTPA/CFA/WP1/NOE1/M(2006)1/CONF	Summary Record of the 81 st Meeting
CTPA/CFA/WP1/NOE1/M(2005)2/CONF	Summary Record of the 80 th Meeting
CTPA/CFA/WP1/NOE1/M(2005)1/CONF	Summary Record of the 79 th Meeting of Working Party No.1
CTPA/CFA/WP2/M(2010)1	Minutes of the 79th Session of Working Party No.2 of the Committee on Fiscal Affairs
CTPA/CFA/WP2/M(2009)2	Minutes of the 78th session of the Working party N°2 of the Committee on Fiscal Affairs
CTPA/CFA/WP2/M(2009)1	Minutes of the 77th session of the Working party N°2 of the Committee on Fiscal Affairs
CTPA/CFA/WP2/M(2008)2	Minutes of the 76th session of the Working party N°2 of the Committee on Fiscal Affairs
CTPA/CFA/WP2/M(2008)1	Minutes of the 75th session of the Working party N°2 of the Committee on Fiscal Affairs
CTPA/CFA/WP2/M(2007)2/REV1	Revised minutes of the 74th session of the Working Party N°2 of the Committee on Fiscal Affairs
CTPA/CFA/WP2/M(2007)1	Minutes of the 73rd session of the Working party N°2 of the Committee on Fiscal Affairs
CTPA/CFA/WP2/M(2006)2/REV1	Revised minutes of the 72 nd session of the Working Party N°2 of the Committee on Fiscal Affairs
CTPA/CFA/WP2/M(2006)1/REV1	Minutes of the 71 st session of the Working Party N°2 of the Committee on Fiscal Affairs
CTPA/CFA/WP2/M(2005)2/REV1	Revised minutes of the 70 th session of the Working Party N°2 of the Committee on Fiscal Affairs
CTPA/CFA/WP2/M(2005)1	Draft minutes of the 69 th session of the Working Party N°2 of the Committee on Fiscal Affairs
CTPA/CFA/WP6/NOE2/M(2010)3/REV1/CONF	Summary record of the 76 th meeting
CTPA/CFA/WP6/NOE2/M(2009)6/CONF	Summary record of the 75 th meeting
CTPA/CFA/WP6/NOE2/M(2009)2/CONF	Summary Record of the 74 th Meeting
CTPA/CFA/WP6/NOE2/M(2008)6/CONF	Summary Record of the 73 rd Meeting
CTPA/CFA/WP6/NOE2/M(2008)4/CONF	Summary Record of the 72 nd Meeting of Working party no. 6 on the Taxation of Multinational Enterprises
CTPA/CFA/WP6/NOE2/M(2007)3/CONF	Summary Record of the 71 st Meeting of Working party 6 on the Taxation of Multinational Enterprises
CTPA/CFA/WP6/NOE2/M(2007)1/CONF	Summary Record of the 70 th Meeting of Working Party no. 6 on the Taxation of Multinational Enterprises
CTPA/CFA/WP6/NOE2/M(2006)2/CONF	Summary Record of the 69 th Meeting of Working Party no. 6 on the Taxation of Multinational Enterprises

CTPA/CFA/WP6/NOE2/M(2006)1/CONF	Summary Record of the 68 th Meeting of Working Party no. 6 on the Taxation of Multinational Enterprises
CTPA/CFA/WP6/NOE1/M(2005)2/CONF	Summary Record of the 67 th Meeting of Working Party no. 6 on the Taxation of Multinational Enterprises
CTPA/CFA/WP6/NOE1/M(2005)1/CONF	Summary record of the 66 th Meeting of Working Party n°6 on the Taxation of Multinational Enterprises
CTPA/CFA/WP8/NOE2/M(2010)1	Draft Summary Record of the 67 th Session of Working Party no. 8 on Tax Avoidance and Evasion
CTPA/CFA/WP8/NOE2/M(2009)3/REV1	Revised Summary Record of the 66 th Session of Working Party no. 8 on Tax Avoidance and Evasion
CTPA/CFA/WP8/M(2009)1/REV	Revised Summary Record of the 65 th Session of Working Party No. 8 on Tax Avoidance and Evasion
CTPA/CFA/WP8/NOE2/M(2008)3/REV1/CONF	Revised Summary Record of Working Party No. 8 on Tax Avoidance and Evasion – 64 th Session
CTPA/CFA/WP8/NOE2/M(2008)1/CONF	Draft Summary Record of Working Party No. 8 on Tax Avoidance and Evasion – 63 rd Session
CTPA/CFA/WP8/NOE2/M(2007)2/REV1/CONF	Summary Record of Working Party No. 8 on Tax Avoidance and Evasion – 62 nd Session
CTPA/CFA/WP8/NOE2/M(2006)2/REV1/CONF	Revised Summary Record of Working Party No. 8 on Tax Avoidance and Evasion – 61 st Session
CTPA/CFA/WP8/NOE1/M(2006)1/CONF	Summary Record of the 60 th Session of Working Party No. 8 on Tax Avoidance and Evasion
CTPA/CFA/WP8/NOE1/M(2005)2/CONF	Summary Record of the 59 th Session of Working Party No. 8 on Tax Avoidance and Evasion
CTPA/CFA/WP8/NOE1/M(2005)1/CONF	Summary Record of the 58 th Session of Working Party No. 8 on Tax Avoidance and Evasion
C(2009)64	Recommendation on tax measures for further combating bribery of foreign public officials in international business transactions
CTPA/CFA/WP9/M(2010)2	Summary Record of the 24 th Meeting of Working Party No. 9 on Consumption Taxes
CTPA/CFA/WP9/M(2009)2	Summary record of the 22 nd meeting of Working Party n°9 on Consumption Taxes
CTPA/CFA/WP9/M(2009)1	Summary record of the 21 st meeting of Working Party n°9 on Consumption Taxes
CTPA/CFA/WP9/M(2008)2	Summary record of the 20 th meeting of Working Party n°9 on Consumption Taxes
CTPA/CFA/WP9/M(2008)1	Summary record of the 19 th meeting of Working Party N°9 on Consumption Taxes
CTPA/CFA/WP9/M(2007)2	Summary record of the 18 th meeting of Working Party n°9 on Consumption Taxes
CTPA/CFA/WP9/M(2007)1	Summary record of the 17 th meeting of the Working Party n°9 on Consumption Taxes
CTPA/CFA/WP9/M(2006)3	Summary record of the 16 th meeting of Working Party n°9 on Consumption Taxes
CTPA/CFA/WP9/M(2006)2/REV1	Summary record of the 15 th meeting of the Working Party n°9 on Consumption Taxes
CTPA/CFA/WP9/M(2006)1	Summary record of the 14 th meeting of Working Party n°9 on Consumption Taxes
CTPA/CFA/WP9/M(2005)2	Summary record of the 13 th meeting of Working Party n°9 on Consumption Taxes
CTPA/CFA/FHP/NOE2/M(2009)1/CONF	Draft Summary Record of the 29 th Meeting of the Forum on Harmful Tax Practices
CTPA/CFA/FHP/NOE2/M(2008)1/REV1/CONF	Revised Summary Record of the 28 th Meeting of the Forum on Harmful Tax Practices
CTPA/CFA/FHP/NOE2/M(2007)2/REV1/CONF	Summary record of the 27 th meeting of the forum on harmful tax practices
CTPA/CFA/FHP/NOE2/M(2007)1/CONF	Summary Record of the 26 th Meeting of the Forum on Harmful Tax Practices

CTPA/CFA/FHP/NOE2/M(2006)2/REV1/CONF	Revised Summary Record of the 25th Meeting of the Forum on Harmful Tax Practices
CTPA/CFA/FHP/NOE2/M(2006)1/REV1/CONF	Revised Summary Record of the 24th Meeting of the Forum on Harmful Tax Practices
CTPA/CFA/FHP/NOE1/M(2005)1/REV1/CONF	Revised Summary Record of the 23rd Meeting of the Forum on Harmful Tax Practices
CTPA/CFA/FTA/BUR/M(2010)1	Summary Record of the 25th Meeting of the Forum on Tax Administration Bureau
CTPA/CFA/FTA/BUR/M(2009)2	Final Summary Record of the 24 th Meeting of the Bureau of the Forum on Tax Administration
CTPA/CFA/FTA/BUR/M(2009)1	Summary Record of the 23 rd Meeting of the FTA Bureau
CTPA/CFA/FTA/BUR/M(2008)2	Summary Record of the Twenty Second Meeting of the Forum on Tax Administration Bureau (FTA/BUR)
CTPA/CFA/FTA/BUR/M(2008)1	Summary Record of the 21 st Meeting of the FTA Bureau
CTPA/CFA/FTA/BUR/M(2007)2	Summary Record of the 20 th Meeting of the FTA Bureau
CTPA/CFA/FTA/BUR/M(2007)1/REV1	Revised Draft Summary Record of the Nineteenth Meeting
CTPA/CFA/FTA/BUR/M(2006)2	Draft Summary Record of the Eighteenth Meeting
CTPA/CFA/FTA/BUR/M(2006)1	Draft Summary Record of the Seventeenth Meeting of the Forum on Tax Administration Bureau
CTPA/CFA/FTA/BUR/M(2005)2	Draft Summary Record of the Sixteenth Meeting of the FTA Bureau
CTPA/CFA/FTA/BUR/M(2005)1	Draft Summary Record of the Fifteenth Meeting of the FTA Bureau
COM/CTPA/CFA/DCD/DAC(2010)2/REV2 COM/CTPA/CFA/DCD/DAC(2010)2/REV2/CORR	Proposal For A Joint DAC/CFA Tax and Development Programme

ANNEX III

IN-DEPTH EVALUATION: INSTITUTIONAL FRAMEWORK

Subject	Statements	Reference and Decision	
General principles	“the evaluation mechanism would be owned by Council with the involvement of officials in capitals, committee secretariats and permanent delegations. Views would also be solicited from important external stakeholders.”	C(2004)91 C(2004)190 & C(2004)190/CORR1	C/M(2004)10/PROV & C/M(2005)4/PROV
	“...to provide a mechanism through which Council can assess whether Committees are conducting processes, delivering outputs and achieving impacts that are in line with Members policy expectations and priorities and with the comparative advantage of the OECD.”		
Focus	“Evaluating committee mandates, therefore, involves evaluating, the achievement, and continued relevance, of the longer-term expected outcomes of a Committee, as well as the effectiveness of the associated outputs and work practices required to achieve them.”	C(2004)190 & C(2004)190/CORR1	C/M(2005)4/PROV
	“...evaluation criteria [relevance, efficiency, effectiveness and sustainability] act as a means to ensure that an evaluation exercise focuses on issues that are evaluative in nature, as opposed to issues that are examined within the framework of audits and reviews of various kinds or which are more questions for research-type activities.”	C/ESG(2005)1	C/M(2005)20/PROV
Set up	“...a sub-group of the Council, comprising five of its members proposed by the Chair of the Executive Committee and designated by Council” “...the in-depth evaluation mechanism will be coordinated by the Council Secretariat.”	C(2004)190 & C(2004)190/CORR1	C/M(2005)4/PROV
	“...rename the Evaluation Sub-Group ‘Evaluation Committee’”		C/M(2007)17/PROV
	Expansion of the Evaluation Committee to seven members “...it being understood that the number of Committee members will return to five at the first opportunity.”		C/M(2008)2/PROV
Programming	“Two evaluations per year could be undertaken. [...] This would mean that at such a pace, all Committees would be evaluated according to a twelve-year cycle.”	C(2004)190 & C(2004)190/CORR1	C/M(2005)4/PROV
	“...three committees to be evaluated by the end of February 2006 [and] three [...] committees/subsidiary bodies to be evaluated from March to December 2006.”	C(2005)63 , C(2005)63/ADD1 & C(2005)63/CORR1	C/M(2005)12/PROV & C/M(2005)14/PROV
	“Under current staffing arrangements, it will be possible to evaluate the quasi-totality of Level I Part I Committees by the end of 2010, though not all committees would be evaluated within the timeframe of their current mandates”. “In line with the PWB cycle, it is proposed that a two-year In-depth Evaluation programme be drawn up for the 2007-08 Biennium.” “...nine Level I committees/bodies will be evaluated in 2007-08 in waves of three [including] evaluations of [their] Part II programmes”	C(2006)124/REV1	C/M(2006)16/PROV

Subject	Statements	Reference and Decision	
Process	<p>“...a sub-group of the Council [will] agree the terms of reference and methodology for evaluation; review the evaluations themselves and present the Evaluation Report to Council; and monitor the follow-up of eventual recommendations arising from the evaluations.”</p>	C(2004)190 & C(2005)63/CORR1	C/M(2005)4/PROV
	<p>“...in-depth evaluations conducted by the Evaluation Sub-group would follow the steps described in “Section VI, How In-depth Evaluations would be conducted” of document C(2004)190 as amended by this decision.”</p> <ul style="list-style-type: none"> – “(6) Evaluation Sub-group sets Terms of Reference and Methodology. [The Council Secretariat] organises the first meeting of the Evaluation sub-group with the relevant DSG, Level I Committee.” – “(7) [The Council Secretariat] coordinates inputs into surveys and questionnaires to capitals with the involvement/advice from permanent delegations.” – “(8) Analysis and Interpretation of Evaluation Findings by Evaluation Sub-group, assisted by [the Council Secretariat]. Discussion on the evaluation findings by Evaluation Sub-group with involvement by Level I Committee Chairs, Cluster Managers and Directors.” 	C(2004)190 & C(2005)63/CORR1	C/M(2005)4/PROV
	<p>The Evaluation Coordinator:</p> <ul style="list-style-type: none"> – Elaborates a draft ToR for individual evaluations – Implements data collection and analysis, and presents the results to the ESG – Interprets analyses, establishes findings, draws conclusions, and presents them to the ESG – Prepares draft recommendations for the ESG – Draws up the evaluation report and presents it to the ESG 		
	<p>The Evaluation Sub-group:</p> <ul style="list-style-type: none"> – Validates the draft ToR with the agreement of the relevant DSG, Level I Committee and Director – Monitors the implementation and results of the collection and analysis of data – Challenges or reaffirms interpretations and conclusions – Develops and finalises the recommendations – Validates the evaluation report with the involvement of the relevant DSG, Level I Committee and Director – Presents the “draft” evaluation report to the Council – Monitors of the follow-up of eventual recommendations arising from the evaluations 	C/ESG(2005)1	C/M(2005)20/PROV
	<p>“...the ESG has a role of oversight over the evaluation process and deliverables, while the Evaluation Coordinator is responsible for the day-to-day implementation of the methodology and the reporting of results to the ESG.”</p> <p>“...the meetings to discuss and validate the draft final reports were opened up to all relevant chairs (parent and sub-bodies) and the members of the bureau of parent bodies.”</p> <p>“...a broader participation in the evaluation process tested in the first round of evaluations could be usefully continued into the next round and be expanded so that a wider range of stakeholders have the possibility to validate the Terms of Reference at the outset of an evaluation and to examine its intermediate and final results.” “</p> <p>[The] first phase of monitoring would take place during the six months following the evaluation and as such would be focused primarily on the preparation of appropriate ameliorative actions. The process would be repeated in the course of the following six months to monitor the extent to which appropriate concrete actions have been implemented.”</p>	C(2006)98	C/M(2006)12/PROV

Subject	Statements	Reference and Decision	
	<p>“...on the basis of analyses and conclusions, the performance of a committee would be explicitly ranked, for each of the evaluation criteria, as either very low, low, medium, high, or very high.”</p> <p>“the presentation and discussion of evaluation reports within the Committee would be clearly structured in three steps to ensure the clarity of the process:</p> <ul style="list-style-type: none"> – first, the Executive Committee would be requested to discuss the substantive contribution of an evaluation (primarily the conclusions); – second, it would review the operational recommendations; – third, an examination of a more political nature, with an emphasis on committee structures and their possible evolution would take place.” 	C(2006)124/REV1	C/M(2006)16/PROV
	<p>“...in-depth monitoring [of the implementation of recommendations] will take place after one year for all committees following their evaluation report, while committees with low rating will be required to present to the Evaluation Committee an action plan in six months</p> <p>“... dialogues [with Committee Chairs in Council] should ideally be programmed around six months after the previous monitoring phase. A set of guidelines would be developed to help Chairs structure this part of the discussion around the four evaluation criteria of relevance, efficiency, effectiveness and sustainability. Whenever possible, these Dialogues would be scheduled to take place within a dedicated Council session in the presence of the relevant Deputy Secretary-General, in his or her role as cluster manager, and the responsible director.”</p>	C(2008)9	C/M(2008)4/PROV
Linkages with PIR and self-evaluation	“In-depth evaluation should build on the results of the annual evaluation of Programme Implementation Reports.”	C(2004)91	C/M(2004)10/PROV