

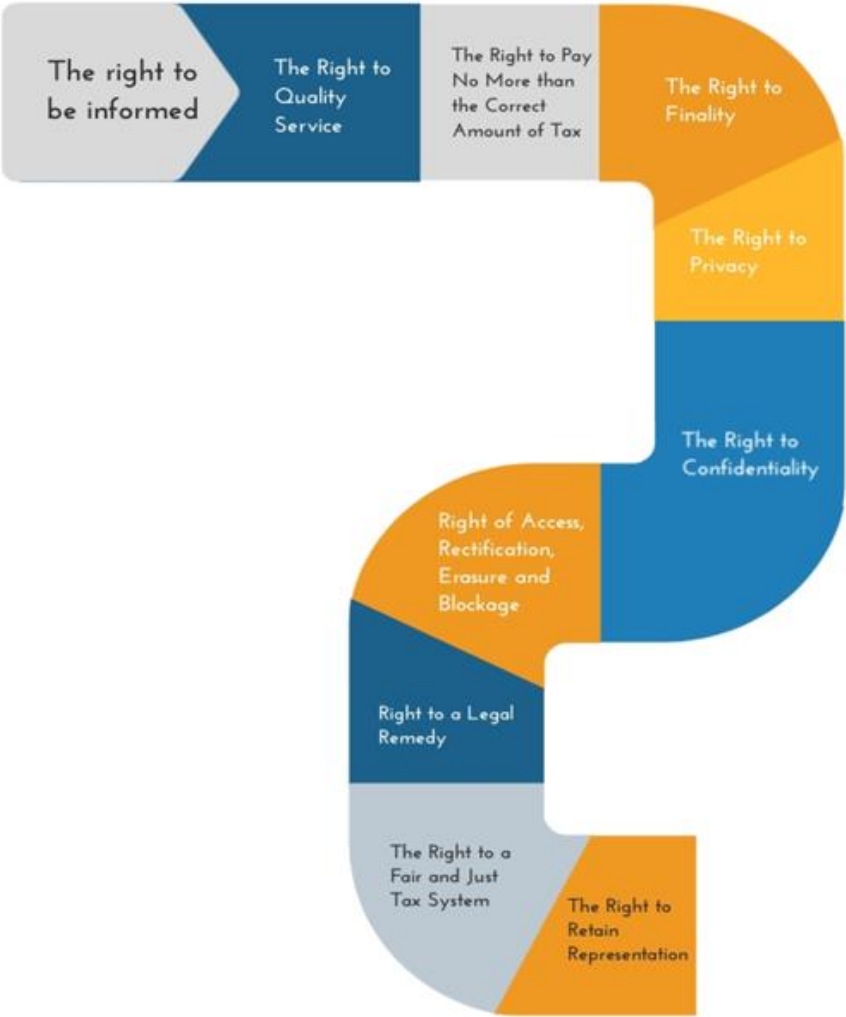
Impact Of 'Disruptive' Digitalization Processes on Taxpayers

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- Under national law
 - Constitutional law.
 - Civil law.
 - Criminal law aspect (e.g. *nemo tenetur* principle).
- Under International Law
 - The European Convention of Human Rights (“ECHR”).
 - European Charter of Fundamental Rights.
 - Treaty on the Functioning of the EU.
 - OECD.

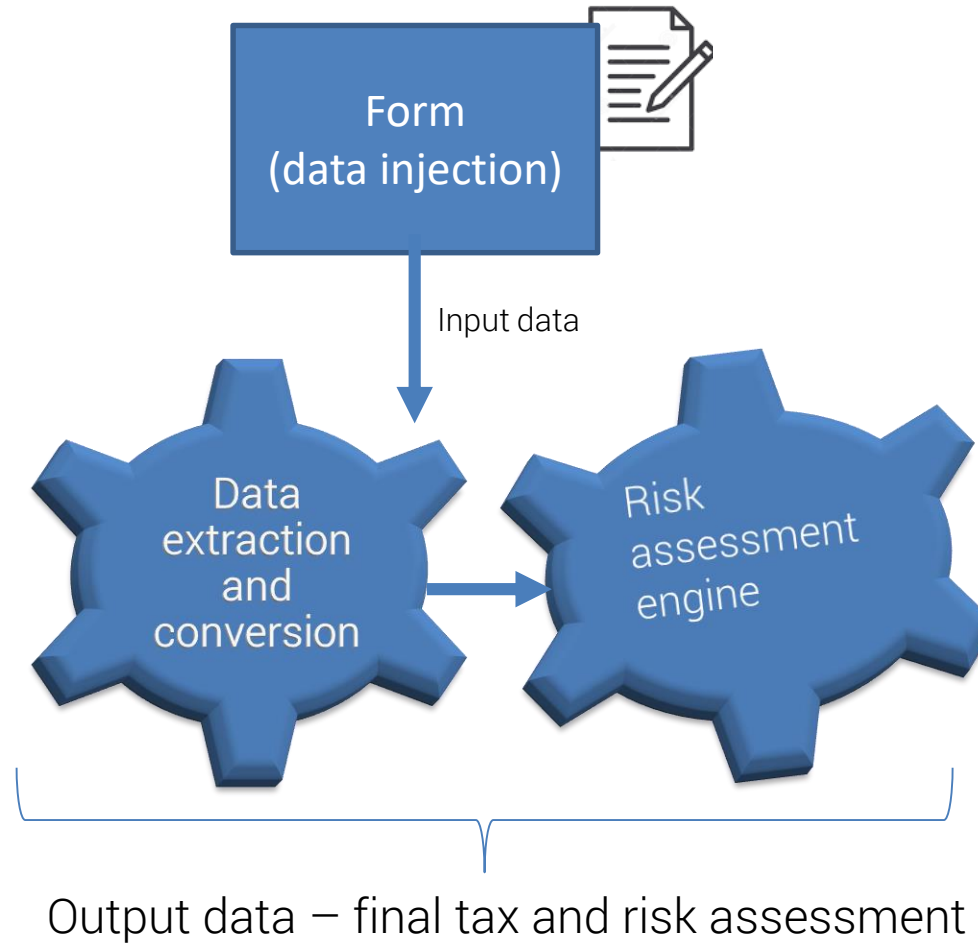
Corporate taxpayer's rights



Summary of the Dutch supreme Court cases

The disclosure of important documents/ valuation model in a court dispute

Dutch Supreme Court



The disclosure of important documents/ valuation model in a court dispute

Dutch Supreme Court

Background: The granting of access to all documents relating to the case is intended to ensure that a dispute about a decision taken by the Inspector is settled on the basis of all relevant factual information available to the Inspector. This is stated in Section 8:42 and Article 7:4 of the General Administrative Law Act.

A blue arrow pointing to the right, containing the word 'Automation' in white text.

Automation

If a decision is wholly or partly the result of an automated process - such as the model valuation in the context of the implementation of the Valuation of Immovable Property Act - and the taxpayer wants to check the accuracy of the choices made during that automated process and the data and assumptions used and, if necessary, challenge them, the administrative body must ensure the transparency and verifiability of these choices, assumptions and data. Without this insight and controllability, an unequal process position of the parties threatens to arise. This means that all information on which the model-based decision-making process is based must be regarded as documents relating to the case.

Source: The Netherlands Supreme Court (ECLI: NL: HR: 2018: 1315, ECLI: NL: HR: 2018: 1316)

What are the tax authorities doing?

- Tax administrations were always data-driven bodies
- Such data includes personal and financial information
 - It may also include sensitive data – donations to political parties; religious organisations; NGOs



- Technological advances offer new scope for the use of Big Data
 - Simplified submission of tax information
 - Pre-populated tax returns
- The use of AI and robotics
 - Profiling taxpayers – data collection from social media and other sources
 - Targeted audits
 - Identifying potential frauds

VAT information sharing



Best practices in data analytics

Japan

- Kokuzei Sogo Kanri system links all regional tax information for analysis

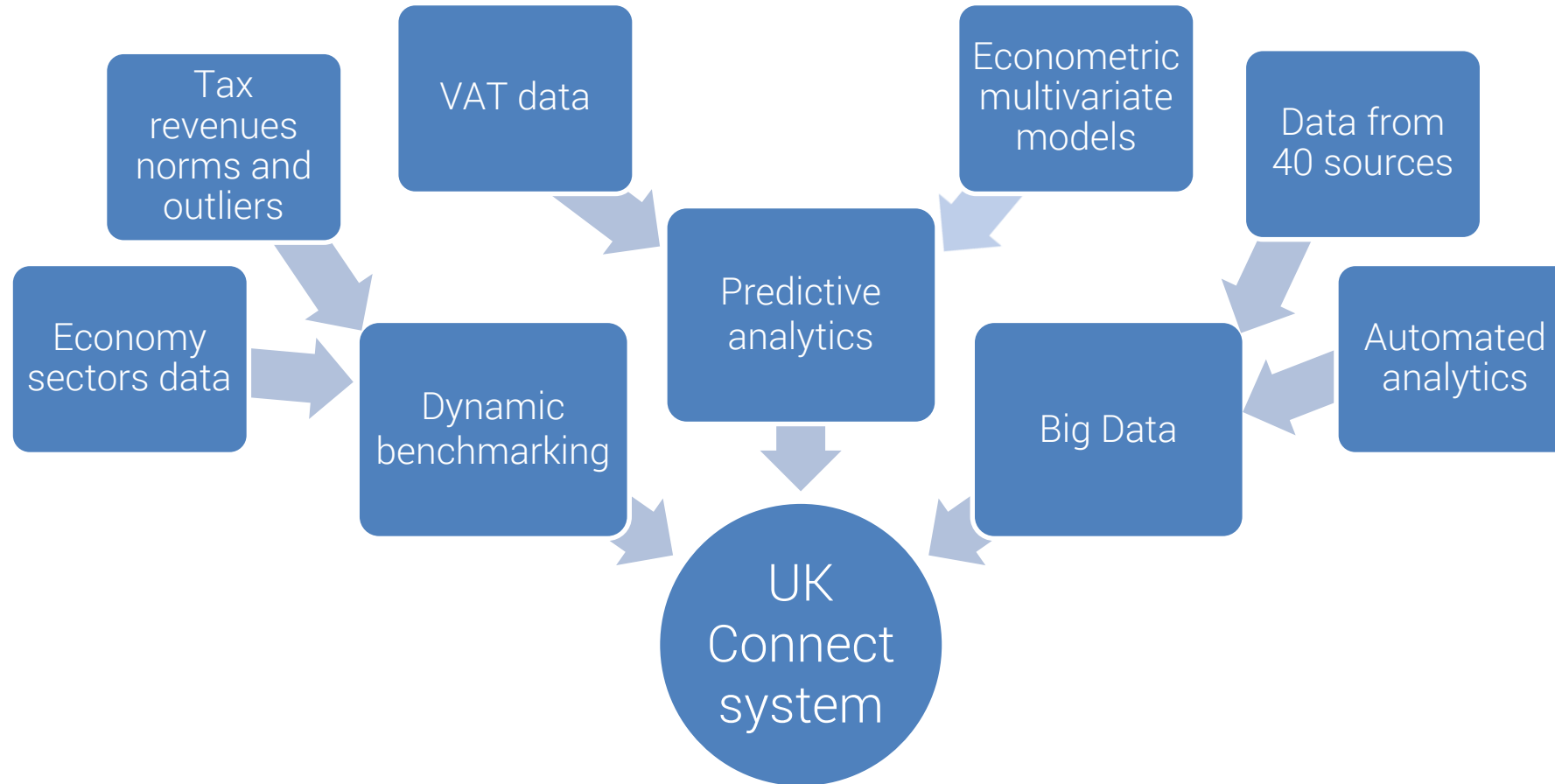
China

- Tax authorities perform tax risk profiling through big data analysis

UK

- HMRC has collected £3 billion from enquiries generated by its system *Connect*

Data mining tools and methods – United Kingdom



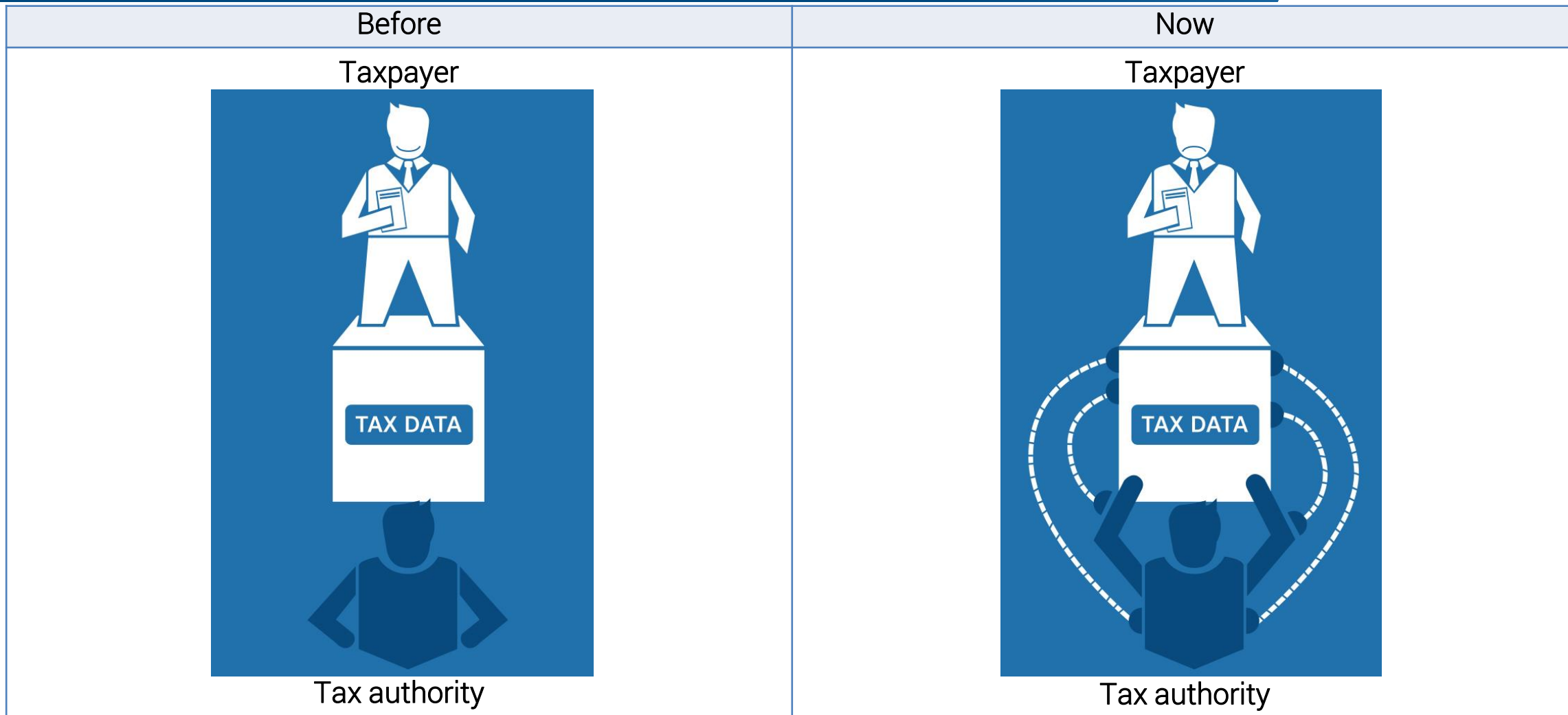
Jennie Granger, HMRC's Director General of Enforcement & Compliance:

"Data-led compliance has proven itself to be invaluable and will be at the very centre of how HMRC operates".

Impact of technology on Tax Arena

- The hacking of the Bulgarian Revenue Agency
 - Personal data of up to 5m individuals (in a population of 7m) hacked and provided to the media
 - Data included account information provided under CRS / DAC2
 - OECD reaction: suspended exchanges of information and sent in data security experts.

Are you still in control of your tax data?



Impact on Corporates

Streamline of compliance and reporting processes
(Half cost/ double work)

Deal with full transparency

Handling investments on software

Take central control over tax processes

Handle complex claims of taxpayers' rights

Impact on Governments

Real time audits and improvement of electronic
audit techniques

Intelligent administration (use of AI and robotics in a
subjective manner)

Efficient tax revenue collection with less tax
professionals and more IT professionals needed

- The use of Big Data by revenue authorities presents potentially huge risks to taxpayers' rights, especially in the field of data protection
- Data protection agencies have warned that insufficient attention has been paid to data protection.

- What would be the consequences if huge amounts of personal data are compromised?
- When taxpayers are fully compliant, what steps may they take to minimise the danger of loss of personal data?

Who we are

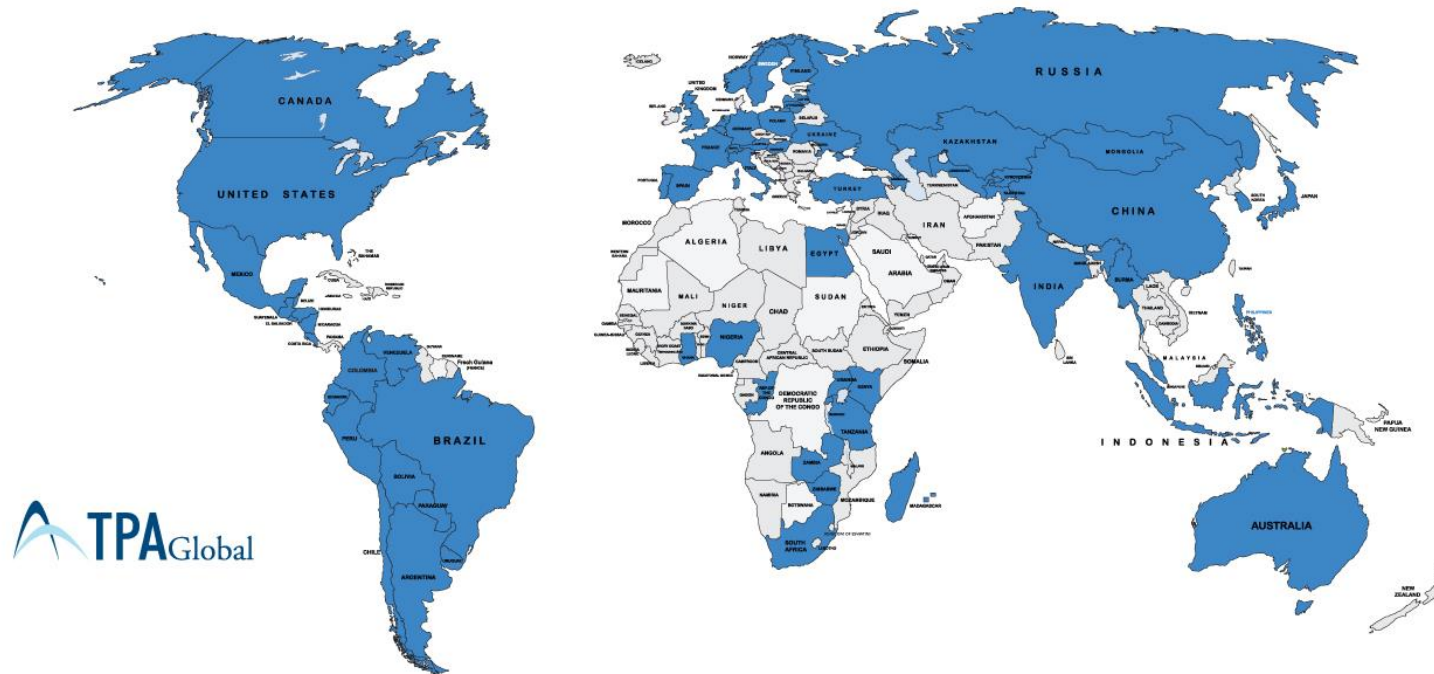
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