



A Review of Taxpayers' Charters and Taxpayers' Protection

INTERNATIONAL TAXATION CONFERENCE 2018

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- Ex Chair – UK Charter Committee
- CFE Tax Advisers Europe – Lead on Model Taxpayer Charter project
- International Chamber of Commerce – member of Tax Charter working group
- United Nations – presentations to UN Tax Committee – October 2017 and May 2018

Human Rights

- The aftermath of the Second World War
- UN Universal Declaration of Human Rights
- European Convention of Human Rights
- Charter of Fundamental Rights of the European Union

The role of Charters – past and present

- Magna Carta – 1215
 - ‘The foundation of the freedom of the individual against the arbitrary authority of the despot.’ – Lord Denning
- Tax Charters
 - ‘a short accessible statement of the basic rights [and obligations] in dealing with tax authorities.’ - Philip Baker QC
- UK Experience
- Citizens’ Charters
 - Set out what the public administration body does
 - What are the rights of redress if the citizen believes the public administration body has not done what it should have done
- UK - Your Charter

Taxpayers Charters

- The taxpayers' charter is an attempt to summarise and explain in plain language a taxpayers' rights and obligations in relation to their tax affairs, making such information much more widely accessible and understandable.
- In drawing up a taxpayers' charter a country must properly reflect their own policy and legislative environment and their administrative practices and culture.

(OECD – Taxpayers' Rights and Obligations – Practice Note (2003))

Approaches to a Taxpayer Charter

- European Commission – Guidelines for a Model of a European Taxpayers’ Code (2016)
- OECD – Taxpayers’ Rights and Obligations – Practice Note (2003)
- OECD – Tax Administration 2017 publication – 55 countries covered (see Table A.124)
- CFE Tax Advisers Europe – Model Taxpayer Charter (2016)
- International Chamber of Commerce (ICC) –ICC Tax Charter (July 2018)
- UN Tax Committee – October 2017 Geneva and May 2018 New York
- IFA/IBFD Protection of taxpayer rights – launched May 2018 at International Taxpayer Rights conference (Amsterdam)

OECD

Tax Administration 2017 – Table 3.1 Taxpayer’s rights and obligations

Right	Obligation
To be informed, assisted and heard	To be honest
Of appeal	To be co-operative
To pay no more than the correct amount of tax	To provide accurate information and documents on time
Certainty	To keep records
Privacy	To pay taxes on time
Confidentiality and secrecy	

OECD – Taxpayer rights formally defined?

OECD Publication “Tax Administration 2017”

55 countries covered:

32 Yes – Taxpayers’ Charter defined in law, including India

13 Yes – Taxpayers’ Charter defined in administrative law

10 No

10 “No” countries includes Germany of which the Constitution and General Tax Code do protect Taxpayer Rights

Other “No” countries: Argentina, Belgium, Brazil, Hong Kong, Iceland, Japan, Luxembourg, Singapore and Switzerland.

CFE Tax Advisers Europe – A Model Taxpayer Charter

- See <http://www.taxpayercharter.com/> for full details
- Model Taxpayer Charter contains 37 Articles
- Article 4 – Fundamental Principles e.g. Taxpayer Charter
- Other Articles cover, inter alia,
 - Audit, Assessment and Appeal
 - Taxpayer assistance
 - Interest and penalties
 - Complaints

IFA/IBFD – Observatory on the Protection of taxpayer rights

- Presentation of first version - 4 May 2018
- Twelve areas covered including the existence of a Charter
- Minimum standards and best practices
- See <https://www.ibfd.org/Academic/Observatory-Protection-Taxpayers-Rights>

International Chamber of Commerce (ICC) – Tax Charter

Taxpayer rights	Tax Administration
Fairness	Fairness
Non-discrimination	Non-discrimination
	Certainty
Rule of law	Rule of law
Reasonable compliance burden	Reasonable compliance burden
Privacy	Privacy
Efficiency	Efficiency
Representation	Representation
Website: https://iccwbo.org/publication/icc-tax-charter/	

UN Tax Committee

- UN - 193 sovereign states which are UN members
- OECD analysis – 55 countries
- CFE/IFA/IBFD – 60+ countries (between the two)
- ICC presentation to UN Tax Committee– October 2017 Geneva and May 2018 New York

India – Citizen's Charter

A declaration of the [Indian Income Tax Department] commitment to its Taxpayers

- **Vision**

To partner in the nation building process through progressive tax policy, efficient and effective administration and improved voluntary compliance

- **Mission**

- To formulate progressive tax policies
- To make compliance easy
- To be accountable and transparent & act with honesty, in a fair and judicious manner
- To deliver quality service
- To continuously upgrade skills and build a professional and motivated workforce

- **Service Delivery Standards**

- **Rights and Obligations**

Making Citizen's Charters work

- A statutory basis
- A balanced approach – obligations as well as rights
- Oversight by an independent body
- Surveys of outcomes and trends
- Transparency and public reporting
- Annual report on current situation

Taxpayer Charters - what international organisations are doing

- UN Tax Committee
- CFE Tax Advisers Europe
- 4th International Taxpayer Rights Conference 2019 - University of Minnesota Law School, including update on IBFD Observatory on Protection of taxpayer rights
- 5th International Taxpayer Rights Conference 2020 – Africa
- ICC (International Chamber of Commerce)
- IBFD Observatory on protection of taxpayer rights

Taxpayer Charter and Rights – India

- India's Vision – Citizen's Charter
 - A nation building process through a progressive tax policy – an efficient and effective administration and improved voluntary compliance;
- India's Mission – Citizen's Charter
 - To formulate progressive tax policies;
 - To make compliance easy;
 - To be accountable and transparent and act with honesty, in a fair and judicious manner;
 - To deliver quality services;
 - To continuously upgrade skills and build a professional and motivated workforce.
- Tax Administration Reform Commission – 2016 report
 - The current Citizens' Charter should be made more meaningful and renamed the "Taxpayers' Charter"

