

Digitalised Revenue Administration and Its Impact on Tax Compliance

49th SGATAR Annual Meeting

Tsu-Yang Chen

Chinese Taipei

Date of Presentation: 24 October 2019



Agenda

- Digital channels and instruments on improving tax compliance
- Risks and barriers in digitalisation
- The impact on digitalisation towards taxpayer compliance and tax Revenue
- Our vision and the next steps

1. Digital channels and instruments on improving tax compliance

- The Fiscal Information Agency (The FIA)
 - In charge of financial information operation
 - Integration of the tax system
 - Allocation of resource

1. Digital channels and instruments on improving tax compliance

Pre-calculation services

Features

- Begin in 2011
- Directly produce notice of tax payment or tax refund
- 35% of total taxpayers eligible for the service currently

Benefits

- Mitigate compliance cost
- Reduce filing errors
- Enhance efficiency



1. Digital channels and instruments on improving tax compliance

E-invoices

Features

- B2B and B2C apply to the service
- Management of goods and materials

Benefits

Cost-saving

Easy to audit

Convenient and eco-friendly

2. Risks and barriers in digitalisation

Potential risks

- Virus attacks and hacking
- Lack of management of outsourced contractors

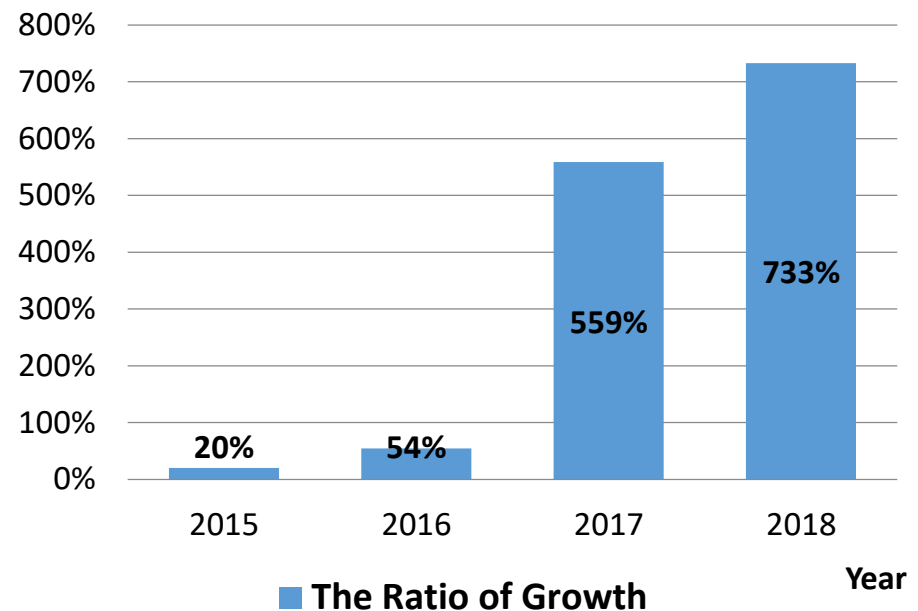
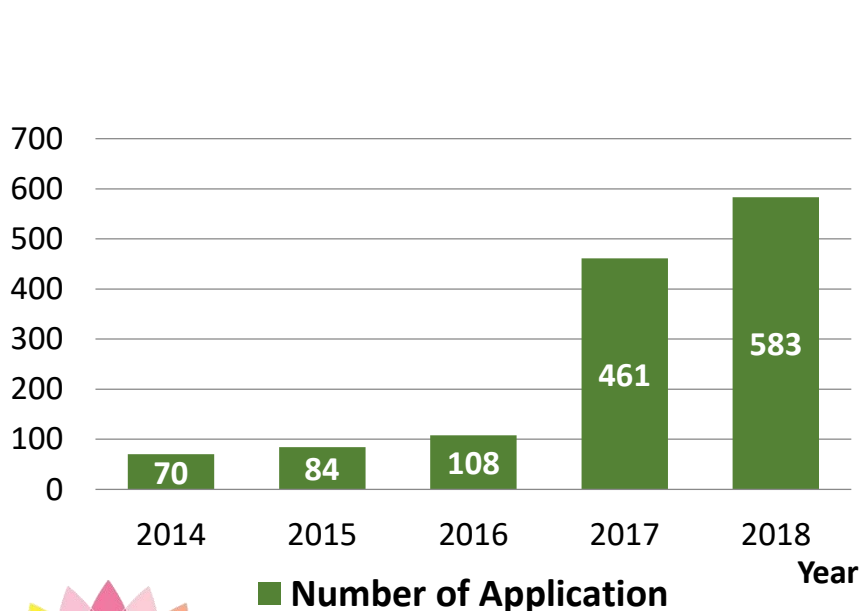
Solutions

- Implementations of control measures
- Internal and external audits
- Strengthen supervision of the private sectors

3.The impact on digitalisation towards taxpayer compliance and tax Revenue

☐ The outcomes of digital taxation services

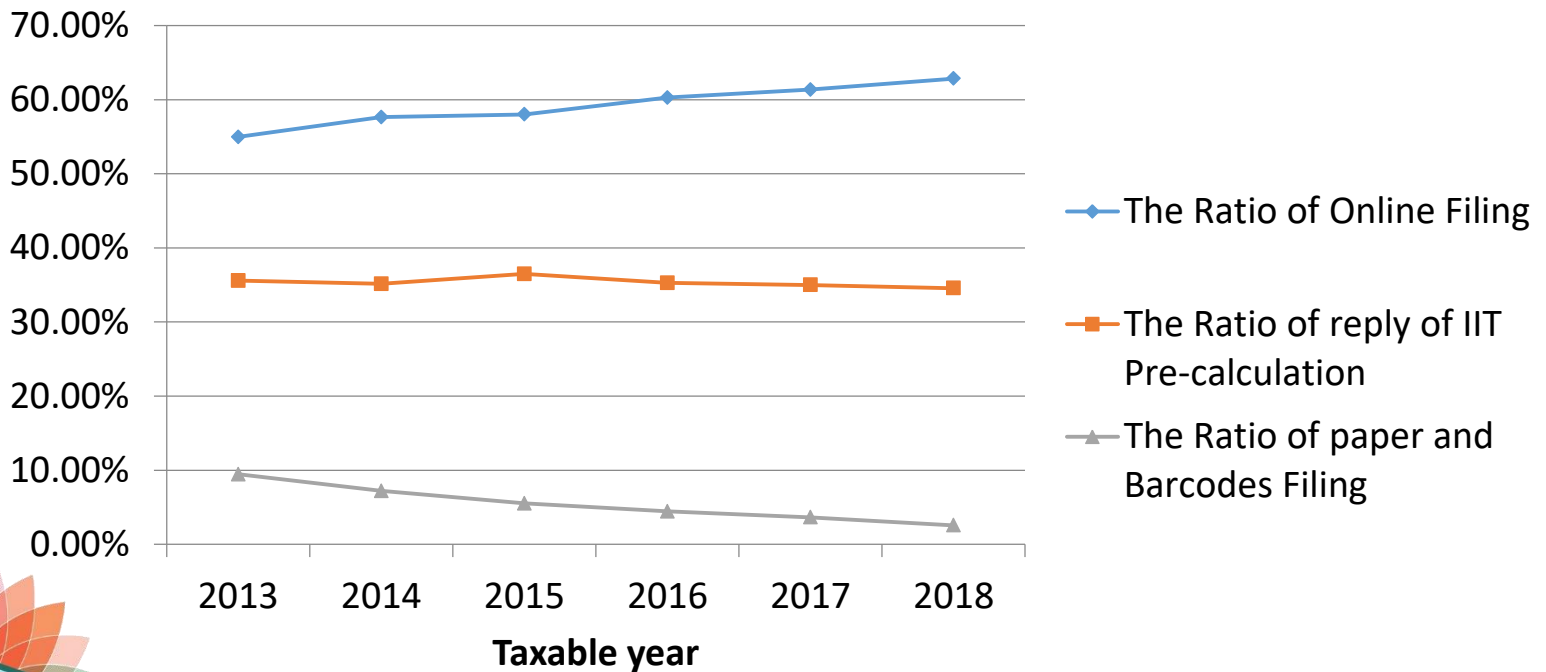
☐ The number of online registrations (Business Tax TIN)



Source: Fiscal Information Agency, Ministry of Finance

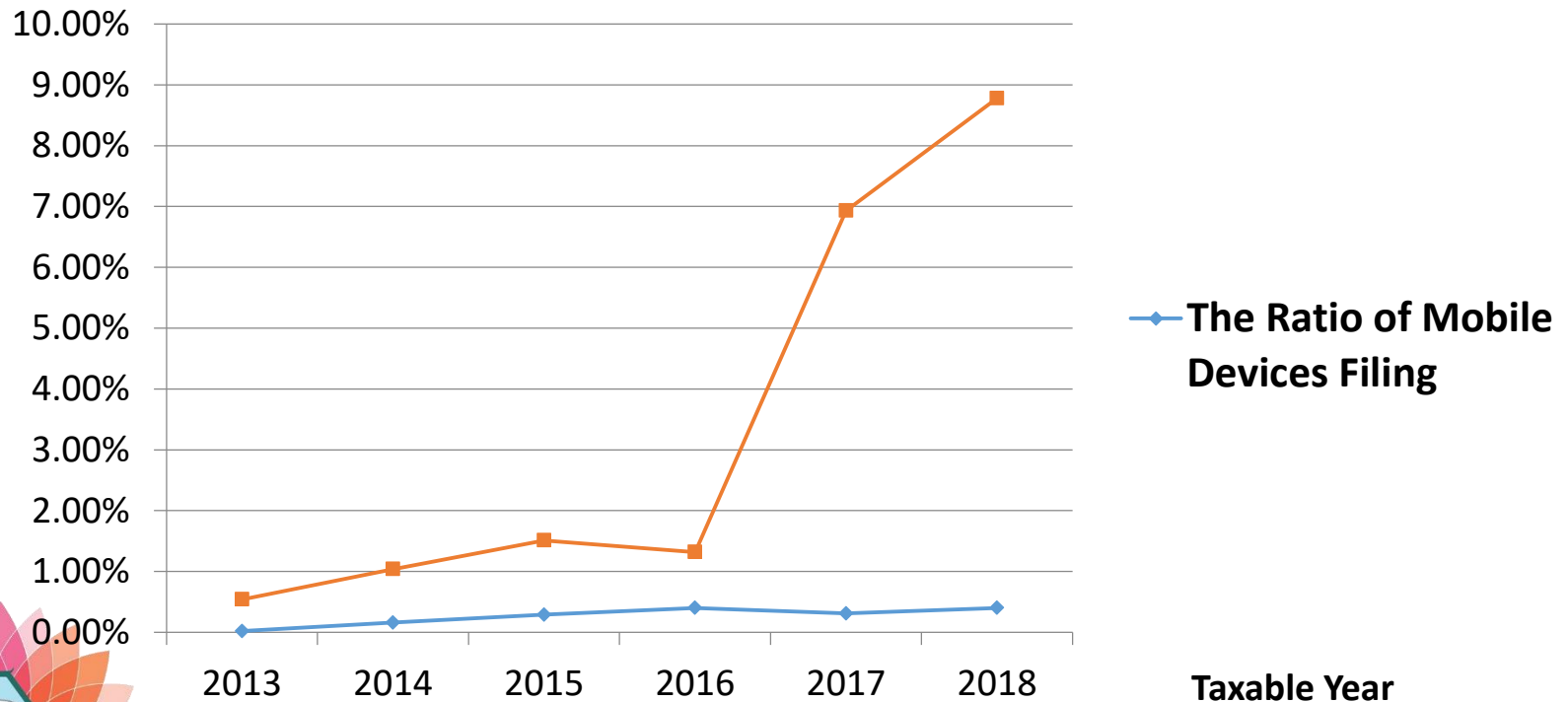
3.The impact on digitalisation towards taxpayer compliance and tax Revenue

☐ The ratio of online filing (IIT) and the ratio of reply to IIT pre-calculation



3.The impact on digitalisation towards taxpayer compliance and tax Revenue

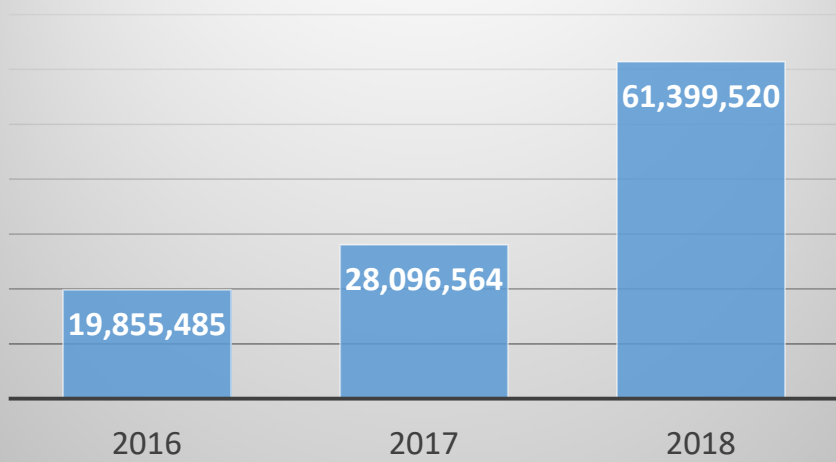
- ❑ The ratio of mobile devices filing and the ratio of reply to IIT pre-calculation via mobile devices



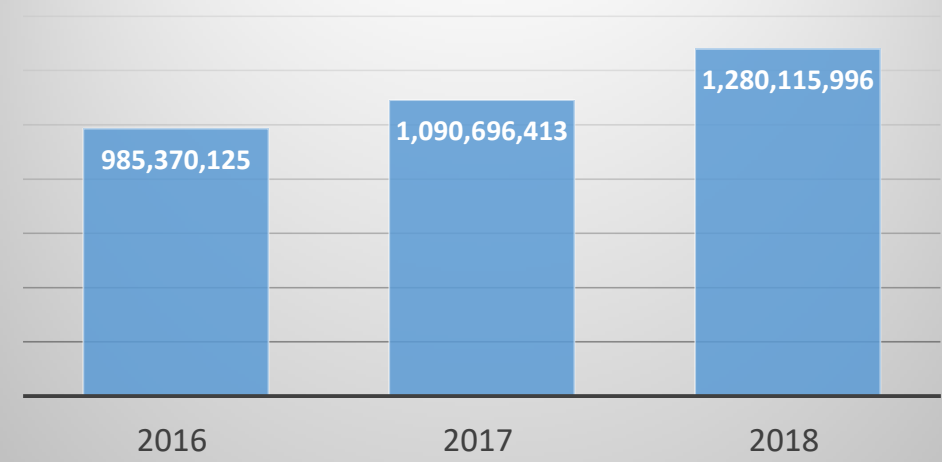
3.The impact on digitalisation towards taxpayer compliance and tax Revenue

☐ The number of E-invoices issued (Business Tax)

Number of issue of E-invoices
B2B

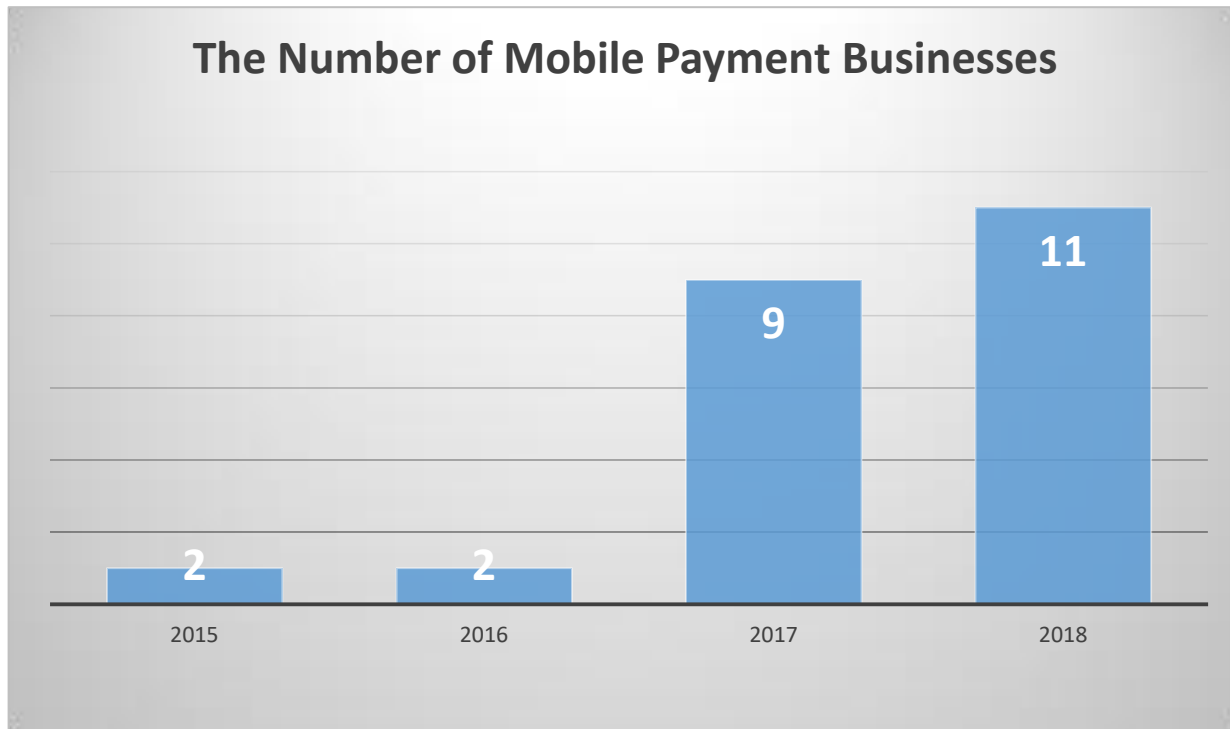


Number of issue of Cloud invoices
B2C



3.The impact on digitalisation towards taxpayer compliance and tax Revenue

☐ The number of mobile payment businesses

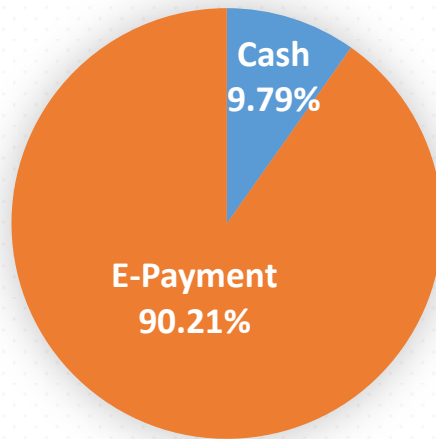


Source: Fiscal Information Agency, Ministry of Finance

3.The impact on digitalisation towards taxpayer compliance and tax Revenue

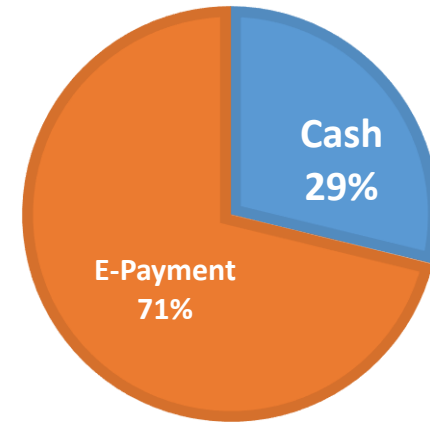
☐ The ratio of E-payment (IIT)

The Amount of Tax Payment in 2018



■ Cash ■ E-Payment

NUMBER OF TAXPAYERS WHO PAY TAX IN 2018



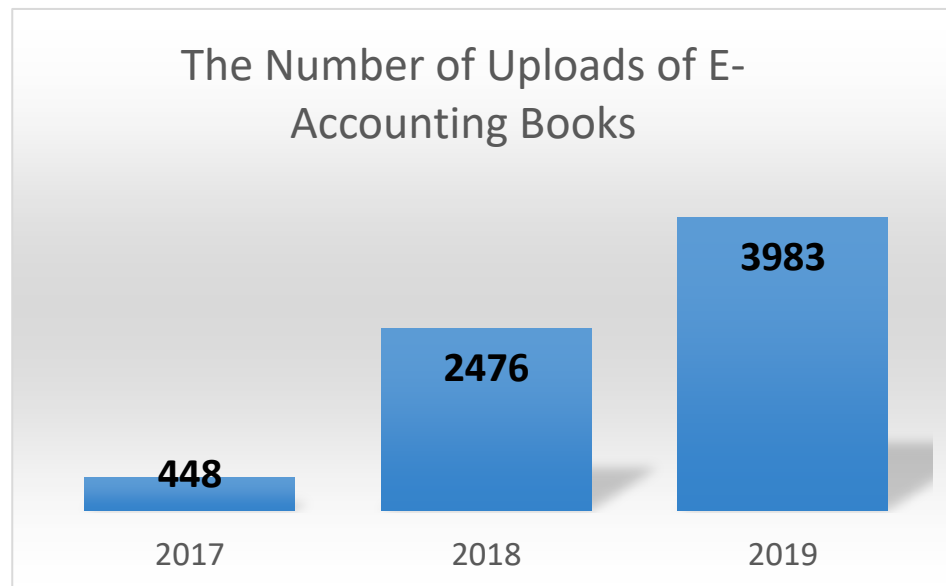
■ Cash ■ E-Payment

Source: Fiscal Information Agency, Ministry of Finance



3.The impact on digitalisation towards taxpayer compliance and tax Revenue

- ☐ The number of uploads of E-accounting books (Profit-Seeking Enterprise Income Tax)



Source: Fiscal Information Agency, Ministry of Finance

3.The impact on digitalisation towards taxpayer compliance and tax Revenue

- The impact on digitalisation of a tax administration towards tax revenue
 - In the short term, we can not find distinct effects of digital taxation services on tax revenue.
 - In the long term, digital taxation services may be conducive to tax revenue.

4. Our vision and the next steps

- Professional training for tax officials
- AI and Big data analytics in auditing
- Enhance the utility and popularity of E-invoices

Thank You

