

INTERNATIONAL:

MODERNIZATION OF TAX ADMINISTRATIONS:

REVENUE BOARDS AND PRIVATIZATION AS INSTRUMENTS FOR CHANGE¹

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I. INTRODUCTION: THE ROLE OF A MODERN TAX ADMINISTRATION

We are now witnessing the implementation of a new concept regarding the role of the public administration in a democratic society. The two principles that best embody this new approach are: (i) the public administration is an entity whose main function is to render services to its citizens. This view abandons the thinking that deemed the public administration as an organization vested with vast powers and privileges which could act irrespective of the needs and interests of the public; (ii) the public administration is a series of differentiated functions which have different organizational needs and working methods. This requires that we abandon the 19th century view that the public administration is a set of more or less homogeneous functions where the generalist can move easily between functions or departments. As an example of the trend towards skill-based professionalism, modern tax administration has become more like a financial services organization than, say, a public entity in charge of promoting culture.²

Within a more general framework of government reform, the tax administration is a crucial element in enhancing the legitimacy of the political group in power. It should promote and provide a uniform application of the tax laws. It must, at the very least, provide an impression of a uniform application of the law if the political legitimacy of the government is to be enhanced.

The proposed model for the administration of taxes is based on the idea that the tax administration must collect the revenue as specified in the law with a high degree of integrity, while rendering better service to the citizen. In other words, it must consider not just administrative costs but also compliance costs. To achieve such objectives, we need to apply the principles and methods of modern management to assist us in the delivery of these administrative services.³

This perspective of the role of the public sector goes hand in hand with the new found popularity of tax reform, which arises out of a need of securing adequate and stable financial resources to deliver public services. Tax reform in developing countries has mainly centered on two objectives: (1) restructuring tax systems toward more efficient taxes that do not distort market forces and (2) choosing taxes that work, that is, taxes that are administratively feasible and raise rev-

enue. For example, greater reliance is being placed on indirect taxes such as the value added tax, while less use is being made of commodity specific export and import taxes. Undeniably, this new emphasis on taxes that work has shifted the focus of reform toward the tax administration.⁴ The experience of countries that have fundamentally changed their tax and trade policies demonstrate that, if these economic reforms are to be successful, there is clearly a need for rapid administrative reform.⁵ It is now widely acknowledged that tax law or tax policy is only as good as its administration. In tax reform there is a strict and clear interrelationship between good tax policy and tax administration.⁶ Simply, good tax policy cannot exist without good tax administration. Whenever actual practice differs from legislative intent, tax administrators are making tax policy and this may distort the intended economic and trade policies and revenue yields. Tax administrators do this by the allocation of the tax burden on different sectors of the economy, and by altering the required compliance costs incurred by the taxpayer.⁷ The tax administrators can easily and directly affect tax policies through the assignment and allocation of resources to some taxes and not to others. It has been said that "without a constant reorganization of fiscal administration, without a daily improvement of management methods, it will be very difficult for tax reform to be constructive and feasible".⁸

1. The assistance of Ronald E. Evans of the International Tax Program, Harvard University, in the preparation of this paper is greatly appreciated. We also wish to thank for the collaboration and comments provided by Carlos Silvani, James Owens, Jaime Vasquez, Louisa Rains, Edison Gnazzo, Seth Terkper and Clive Nicholas. The comments and suggestions of the participants at the Annual Conference of the Center for Inter-American Tax Administration, in Santiago, Chile, April 1993 has served to greatly improve subsequent drafts of this paper.

2. Diaz Yubero, Fernando, "La Agencia Estatal de Administracion Tributaria (The Official Tax Administration Agency)", *Revista de Administracion Tributaria (Tax Administration Review)*, Spain (March 1992), No. 10.

3. *Id.*

4. See Mansfield, Charles, "Tax Reform in Developing Countries: The Administrative Dimension", 44 *Bulletin for International Fiscal Documentation* (March 1990), at 137.

5. Jenkins, Glenn P., "Economic Reform and Institutional Innovation", 46 *Bulletin for International Fiscal Documentation* (December 1992), at 588-596.

6. Gnazzo, Edison, "Functional and Financial Autonomy of the Tax Administration", paper submitted to the Meeting of Executive Secretaries of Tax Organizations (CESTO), Kuala Lumpur, Malaysia (20-24 April 1992).

7. See Mansfield, *supra* note 4.

8. Fuentes Quintana, cited in "The Organization of Tax Administrations in the CIAT Members Countries", CIAT Review in 1985-1986, Technical Publication of the Inter-American Center of Tax Administrators.

II. TRENDS IN TAX ADMINISTRATION REFORM

A. Autonomy of the tax administration

A serious impediment to change in the tax administration of many countries is that revenue institutions have traditionally been part of the general civil service. In many countries this has resulted in salaries that are too low to recruit and retain the quality of skills needed for the efficient operation of a revenue system. Furthermore, hiring practices become part of the political patronage system where the main remuneration of an employee arises from the person's ability to extract compensation for favours given, or is based on the person's ability to use information obtained while working in the public sector to his private profit either immediately or later. There are few places in the public sector where there are greater opportunities for these kinds of remuneration than in the tax administrations. In such a situation the tax administration will be perceived as being inefficient, incompetent and corrupt. When this occurs there is a tendency to let the salaries of the tax officials slide even further behind those of their private sector counterparts. This often occurs with the full knowledge of government officials. Hence, the system of informal payments becomes institutionalized in order for the tax administration to be able to survive. But the revenue loss to the government and the compliance cost to business from such informal payment schemes are huge. The public's perception of a tax administration's integrity, efficiency and effectiveness directly affects the citizens' willingness to voluntarily comply with the tax laws. The central question of this paper is, how does a government reverse this process? How does it turn a corrupt tax administration system, that has built up well defined systems to support this mode of operation, into a professional organization where the staff is willing to work for only a competitive salary?

Even when the tax administration is viewed as being incapable of handling its major functions, we often see other independent public sector institutions, such as central banks, being able to obtain the resources and skills needed to carry out their functions.⁹

When one compares various central banks with the tax administration in their respective countries it is clear that the banks operate with greater efficiency and effectiveness. The banks are most often looked upon by employees as the best place to work in the public sector. There are several reasons for this. First, the pay is usually higher. Second, employees usually receive better training. Third, the office equipment is much better and more modern. Fourth, the working conditions (physical facilities) are usually substantially better.

Revenue authorities or distinct ministries, outside of the Ministry of Finance, with their own schemes of service and compensation scales, have been established in a number of countries in order to provide the type of autonomy for tax administration that central banks enjoy. They have often been set up with the objective of creating an institutional mechanism for separating the professionally competent staff who are willing to work for a competitive salary, from those who want to continue with the old system and perhaps are not capable of mak-

ing changes. The alternative of setting up revenue authorities has not always been successful. Often they have not been able to establish their intended independence, or to obtain the financial resources to operate effectively. In some countries, frequent transfer of staff to other units of the service disrupts operations and adversely affects specialization.

B. Professionalism in tax administration

The availability and retention of trained human resources is by far the most important factor in determining the efficiency of the tax administration. We need to recognize that the quality and honesty of a tax administration official is largely determined by the environment within which the human element is placed.¹⁰

Professionalism in tax administration encompasses several things: (a) an adequate remuneration for professional tax administrators taking into account the responsibilities of their jobs. Tax administrators should have incentives for promotion and remuneration based on their performance and capacity; (b) there is a need for a job classification system that clearly defines the responsibilities of each position; (c) employment stability is needed to ensure that people stay in a position long enough to justify adequate training so that they are able to deliver a high quality service. This usually requires that officials should enjoy working conditions free of political interference and pressures, (d) for recruitment, minimum requirements for each position must be established and, in some instances, objective tests should be given for the selection of candidates; and lastly, (e) in respect of training, it should be given in an organized and structured fashion applicable to each level of the tax administration. Further, training should be furnished taking into consideration the human and material resources available.¹¹

III. NEW STRUCTURES FOR A NEW TAX ADMINISTRATION

A. Characteristics of a new structure

The above criteria can not be met if old practices and restraints persist in the structure of the tax administration. In effect, the call for a modernization of the tax administration often requires a major overhaul of the present organization and the introduction of new legal and administrative mechanisms.

The proposal being made here is to restructure the tax administration very much in the same manner as central banks have been established around the world. The laws of central banks differ in their focus, scope and degree of detail. Nevertheless,

9. Terkper, Seth E., "Improving the Accountancy Content of Tax Reform in Developing Countries", Development Discussion Paper No. 440 ITS No. 6, International Tax Program Discussion Papers, Harvard University (November 1992), at 10; and 48 *Bulletin for International Fiscal Documentation* (January 1994), at 21.

10. "Professionalism in Tax Administration", *Studies on Tax Administration*, No. 18, Inter-American Center of Tax Administrators, Panama (November 1975), at 4.

11. *Id.*

we may group the legal coding of the central bank independence into four main issues:

- (1) the appointment, dismissal and term of office of the chief executive officer of the bank,
- (2) the policies over which it is given control,
- (3) the objectives of the central bank and, specially important for our purposes,
- (4) the financial independence of the agency within the guidelines set out in the law governing it.¹²

Of course, an appropriate degree of oversight at the highest levels is required. Such an autonomous form of organization is one of the means by which a government can try to introduce professionalism and efficiency in the assessment and collection of taxes. Legal autonomy is, of course, an essential component of actual autonomy, but not the only one. It is necessary to provide the tax administration with the ability to pay competitive salaries for the skills required, and to change its administrative procedures so that it can operate efficiently and effectively. This does not change the need for tax policy to be made at the level of the Ministry of Finance or Congress, neither does it preclude close cooperation between the Ministry of Finance and the authority in charge of tax administration.

In sum, the proposed changes for the tax administration should have the following features:

- (i) it should have financial independence, meaning that the agency may allocate its budget as it deems appropriate. It might have the possibility (not necessarily) to be legally authorized to use part of the funds it collects for salaries and/or personnel incentives and equipment purchases;
- (ii) it should be an agency that is as an autonomous administrative unit, capable of formulating its own administrative policies and objectives,
- (iii) derived from the above two features, the agency should be responsible for its own recruitment, training and salary structure, and establishing a code of conduct for its personnel. Along with this responsibility the tax administration should be given the authority to enforce the rules that are established.

Transition difficulties are inevitable. There will be issues relating to: determining which employees should be retained and the standards to be used to make the decision; where to assign those who will not be retained, assuming they cannot be dismissed from the civil service; what are the standards/rules for setting the new pay schedule?

The revenue authority, if organized as a statutory body or as a separate ministry, might be headed by a single individual, perhaps a Minister, or by an appointed group of individuals as a revenue board. Appointing a Minister to head such an authority has had mixed success. In Canada such an arrangement has worked quite well as the Minister of Revenue has always been completely subordinate to the Ministry of Finance on all tax policy matters. In both Bolivia and Ghana, conflicts over division of responsibilities and authority in the area of tax policy between the Minister responsible for the revenue authority and the Minister of Finance has resulted in this Ministerial appointment being dropped from the cabinet. If a revenue board is appointed a further set of organizational

and political issues arise, but the fundamental relationships outlined below apply to either situation.

B. Oversight by a revenue board

The mission of a revenue board and the revenue authority it supervises should be to:

Promote voluntary compliance to the highest degree possible; to continuously improve the administration of the tax laws by ensuring the nation's revenue is collected and; to ensure the tax laws are administered fairly, efficiently, effectively with a high degree of integrity.

The board can and should perform a significant role in accomplishing these objectives. However, the function of the board should not be, or perceived to be, a replacement for the line management of the tax departments. The tax departments should be kept, to the greatest degree possible, professional organizations for the administration of the tax laws. If they become subject to a high degree of political interference, obvious inequities are certain to arise and the legitimacy of the tax system, and perhaps also the government, is likely to suffer. In order to achieve the objectives, the board must have specific responsibility for certain administrative issues and operate as a policy committee by establishing objectives and ensuring they are carried out in a timely and professional manner.

Some of the responsibilities of the board should be to:

- ensure that the tax laws are enforced with the highest degree of integrity;
- ensure the departments (customs, excise and income) coordinate and share information when and where there is a need;
- establish an overall pay and classification structure;
- provide guidance and direction in resource allocation (make sure the resources are allocated properly between and among the various functions of the departments);
- ensure that appropriate personnel and programme management practices are in place and carried out (this would include such things as training, programme management and personnel evaluations and corrective actions taken if appropriate);
- recommend to the Minister of Finance legislative changes needed to improve the administration of the tax laws;
- establish an internal audit function staffed by professional auditors who would be responsible for determining if the policies of the board are being carried out properly (the annual audit plan should be approved by the board);
- provide the Minister of Finance with revenue estimates on existing and proposed tax laws; and
- establish and implement a written code of conduct for all employees in the departments and the board.

No individual member of the board should be permitted to make inquiries into the departments or make decisions without the formal approval of the board. The day-to-day man-

12. See Cukierman, Alex, Webb, Steven and Neyapti, Bilin, "Measuring the Independence of Central Banks and Its Effect on Policy Outcomes", *The World Bank Economic Review* (September 1992), No. 3, Vol. 6, at 356-366.

agement of the board's operations should be delegated to a chief executive. However, the chief executive should not have general or direct line authority over the department heads (Commissioner of Taxes or Controller of Customs and Excise Tax). The chief executive authority should come from the board and be limited to making sure the department heads carry out the instructions, decisions, policies and mandates of the board.

The creditability, integrity and perception of the board is directly related to its effectiveness and success. Therefore, the criterion for membership on the board is a critical success factor. Permitting someone from the business community or the private sector accounting profession would, at the very least, give the perception that the board cannot fairly enforce the tax laws. At worst, members of the business community or private accounting profession would have inside information and could use the information for their private gain. Within the tax departments their membership would be viewed with suspicion and concern. It would raise serious questions when their own tax returns or clients were being audited or assessed a penalty. The professional staff of the tax department would be reluctant to treat their returns in the same manner they would treat others. The administration of a nation's tax laws is too important to take these risks. Ideally the revenue board would consist of heads of the revenue department and customs, and representatives from the Ministry of Finance, the central bank, the national planning agency (treasury board) and the auditor general's office.

The efficient functioning of the board is somewhat related to the size. There are several reasons to keep the number of people on the revenue board to a minimum. First, a large board makes it difficult to schedule meetings and come to a consensus. Second, the larger the board the more difficult it may be to locate individuals that do not have outside interests who will be perceived to have a conflict of interest. Third, the larger the board membership the less individual accountability. Too few may not provide sufficient support or overall experience to carry out the board's responsibilities. The number of members should be between five and nine.

Members should not be permitted to send a representative to the board meetings. Of course, members should be held to the same rules of confidentiality as employees of the tax departments. The board should operate only as a board. Therefore, board members should not be permitted to have individual staffs.

It is extremely important that the board not have authority to intervene in ongoing tax cases. It should not suggest a review of specific cases, indicate in any way which cases should or should not be examined, assessed or collected, or interfere in an open or ongoing case. This prohibition should be in writing. It is appropriate for the board to inquire into and provide direction regarding areas of non-compliance. Furthermore, the board should have the authority to review, through an internal audit, closed cases to see that they have been properly processed and worked according to the prescribed procedures. The overall authority to administer the laws as it relates to specific tax cases must rest with the head of each of the departments.

C. Privatization of administrative functions

We should also consider moving towards what some have referred to as "the application of the subsidiarity principle to the tax administration",¹³ that is, assigning to the private sector those functions of the tax administration which can best be performed by it, within the legal limitations of the given country. By way of illustration, Mexico has undertaken a major reform of its tax administration, in which it has privatized many aspects of the computer system used to construct its information for administrative purposes. Thus, a private firm is now providing the Mexican tax system with computer services. The firm is being paid through a fee collected directly from the taxpayers and deposited in a trust fund. The result is that the management of systems, the hiring of all the personnel of the information technology side of tax administration as well as procurement of equipment have been privatized. Banks are also entrusted with being the sole receivers of tax payments and with putting all the information from the returns on tape. Moreover, the private sector was authorized to print and distribute tax returns, registration and notice forms.¹⁴

By the same token, in the customs area, warehousing has been turned over to the private sector and customs personnel withdrawn. The result has been an orderly management of stored merchandise, a virtual disappearance of losses, timely information, to name a few. A private sector customs auditor was also created. These auditors can go over the work performed by customs inspectors and are vested with legal authority to rule on the outcome.¹⁵ In many countries the task of classification and valuation of imports has been turned over to private surveyor companies who are better positioned than customs to make this determination.¹⁶

As has been stated by Francisco Gil Diaz, "there are myriad governmental activities that can be delegated to third (private) parties with no loss of sovereignty or authority. There are many advantages to such delegation: salaries can be considerable above civil service constraints, while costs can be much lower. Accountability rises, efficiency increases as procurement restrictions are short-circuited. And perhaps, what is more essential, the primary objectives: revenue, compliance, control, are enhanced through these auxiliary activities".¹⁷

In the United States the majority of states are currently using, planning, or have used some form of privatization in their tax administration. These activities include contracting with the private sector to perform such things as: document storage, deposit of funds, key entry of payments, collection, mail room operations, computer programming, computer hard-

13. Gil Diaz, Francisco, "The Subsidiarity Principle Applied to Tax Administration", paper presented in the Conference on Information Technology and Fiscal Compliance, sponsored by Harvard International Tax Program, Instituto de Estudios Fiscales de Espana and Lincoln Institute of Land Policy, Cambridge, Massachusetts (November 1992), at 4.

14. *Id.*

15. *Id.*

16. Jenkins, Glenn, "Economic Reform and Institutional Innovation," 46 *Bulletin for International Fiscal Documentation* (December 1992), at 590.

17. See Gil Diaz, *supra* note 13.

ware operation, etc.¹⁸ Also, the US Internal Revenue Service is currently considering a plan that would involve a contractual relationship with a private sector organization to collect low dollar yield accounts they are not now pursuing because of a lack of resources.

IV. REVENUE AUTHORITIES: COMPARATIVE EXPERIENCES

Many of the changes in the role of the tax administration have already been undertaken by a number of countries around the world. I will refer, briefly, to some of those experiences.¹⁹

In the case of Spain, a Tax Administration State Agency ("Agencia Estatal de Administracion Tributaria" or "AEAT") was created in 1991 (although it was put into effect in 1992) for the purpose of providing the Spanish taxpayers with a more modern organization that would enable the pursuit of the objectives of the Spanish tax administration. The AEAT is a public body vested with its own legal entity. Its main objective is the effective application of the tax laws. It encompasses the audit, management and collection of taxes functions.

The AEAT came as a response to the need to improve some of the problems still pending after the administrative reform undertaken in the 1980's, namely: (i) lack of a consistent personnel policy for the tax administration, (ii) an inadequate budgetary and financial system and (iii) lack of coordination of the government's legal position for tax cases before the Courts.

In Jamaica under the Revenue Board Act of 1981 a revenue board was set up to be the central, independent agency with responsibility for exercising a critical overview of the operations of the main revenue departments. As the central tax administration authority, the board is responsible for directing, coordinating, inspecting and monitoring the activities of Inland Revenue, Customs and Excise, Income Tax, Stamp Duty and Transfer Tax and Land Valuation. It has responsibilities very close to those set out as a model in this paper. Although its functions have evolved over time, on the whole it has made a major contribution to effectiveness of the tax administration.

In 1988, Peru created, by Law No. 24829, dated 6 August 1988 (further complemented by legislation enacted in 1992), a National Superintendency of Tax Administration. The Superintendency is a public decentralized agency, vested with its own legal entity, its own financial, administrative, technical and functional autonomy. It is charged, among other things, with the design of fiscal policies, the administration, audit and collection of taxes and the drafting of Regulations to the tax laws. The Superintendency is further responsible with the collection of taxes through the Banco de la Nacion, which is in turn authorized to enter into agreements with other financial entities.

Argentina passed, in 1988, Law No. 23.495, which introduced substantial changes to Law No. 11.683, whereby the General Tax Directorate is given autonomy in its organiza-

tion, administration, patrimony, personnel, procedures and control. The new statute allows the General Tax Directorate to enter into agreements with state and commercial banks for the purpose of collecting taxes. The General Director has been vested with the power to organize and regulate the internal functioning of the Directorate, including but not limited to, personnel administration and structure, assignment of functions and responsibilities, etc. It also provides for the establishment of a compensation fund to be allocated among the revenue agents in accordance with a merit system which takes into account the responsibility, professional qualifications and the output generated by the agents. The fund is based on 0.60 percent of the amounts of taxes collected.

Colombia has followed a similar path. In effect, Decree No. 1643 of 27 June 1991 provides for the organization of the Directorate of National Taxes ("Direccion de Impuestos Nacionales"). It provides, in substance, that the Directorate will be organized as a special administrative unit, ascribed to the Ministry of Finance and Public Credit, with a special personnel regime with its own nomenclature, classification, budget, salary and hiring procedures.

Furthermore, Decree No. 1647 of 27 June 1991 establishes a personnel system for the Directorate of National Taxes. The Decree provides for the creation of a fund with the purpose of furnishing financial support to the modernization of the tax administration, mainly through the awarding of bonuses to the personnel in accordance with productivity and capacity. The fund will obtain its monetary resources mostly from budgetary allocations, in amounts that are proportional to the interest charges and pecuniary sanctions collected by the Directorate of National Taxes.

Singapore, in September 1992, incorporated the Inland Revenue Authority of Singapore (IRAS) to take over the functions of the Inland Revenue Department. It will be responsible for the administration of income tax, property tax, stamp duty, estate duty, international tax treaty negotiations and some other minor taxes. The motivation for converting the Inland Revenue Department into a statutory authority came from the need to be freed from civil service restrictions on personnel and financial management. It needed to be able to offer competitive wages to attract and retain talent in the organization in order to improve the quality of tax administration. The tight labour market for such skills in Singapore was making the conditions of civil service employment increasingly non-competitive. The move to set up the Inland Revenue Authority of Singapore has been accompanied by a number of changes in administrative practices, and functions to provide better service to the taxpayers while working to reduce their compliance costs.²⁰ Singapore's experience with its Inland Revenue Authority is a case that should be fol-

18. See "Privatization Survey Release", *Bulletin, Federation of Tax Administrators*, Washington, D.C. (20 July 1992).

19. The information provided in this section has been taken from Laws and Decrees from the countries herein described. We appreciate the assistance kindly furnished to us by Carlos Silvani from the International Monetary Fund (IMF).

20. Ow, Alan S.S., "Developments in Tax Administration in Singapore," 9th Asian-Pacific Tax Conference, November 1992, (Singapore: Asian-Pacific Tax and Investment Research Centre).

lowed closely by other tax administrations. Intent on achieving the highest level of compliance, but with a strong service orientation, its commitment to becoming a highly modern tax administration will likely lead to innovations from which much can be learned.

In Ghana the National Revenue Secretariat was instituted in 1985 and had power to design and execute structural and operations policy. It took over the functions of the Revenue Department of the Ministry of Finance. The Secretariat was empowered with Ministerial responsibilities for all revenue policy and implementation and complete authority for supervising the operations of the revenue institutions in the country. However, it shared the role of policy formulation with the Ministry of Finance. Between 1985 and early 1991, it was headed by a Minister of State and Chief Director (equivalent of principal secretary) who reported directly to the Cabinet and Office of the Head of State (now President).

There was initial resistance to the change in revenue administration by the top hierarchy of the civil service. The persistence of this opposition, coupled with glaring fiscal policy conflicts between the Secretariat and the Ministry of Finance, led in early 1991 to a policy roll-back. The Secretariat remains an autonomous institution but is responsible to the Minister of Finance and the Chief Director (Technical) at the Ministry. Fortunately, the roll-back policy in connection with the National Revenue Secretariat did not affect the autonomy of the revenue institutions.

Most recently Zambia enacted the Revenue Authority Bill, 1993. This law established the Zambia Revenue Authority that will consist of nine board members who will have responsibility for all the income and custom taxes. The law provides for a Commissioner General who will occupy a full time position and carry out the revenue authority's policies and procedures. The law further provides that the effective date of the authority will be set by the Minister of Finance. Currently, they are in the process of developing a set of implementing procedures and guidelines with an expected date of implementation of 1 January 1994. The new authority will not be required to retain any of the employees of the old tax departments. These employees will either retire, be transferred to other agencies or terminated. Of course, those that meet the newly established criteria can be selected to work in the newly formed tax organization.

The above experiences show that the trend for a separation of the tax administration from the public administration is gaining momentum. It also shows that there is still much to be done in this field. The degree of independence vested upon the tax administration varies from country to country. Nevertheless, these experiences are significantly important for countries which are currently undergoing administration reform efforts.

IV. CONCLUSIONS

We have emphasized throughout this paper the need to provide the tax administration with a flexible structure that would allow it to fulfill its administrative and statutory obligations. At the same time, many countries are now trying to

break out of their old cycle of tax reform and failure due to costly administration processes that also lack integrity. A possible structure that might assist and should be considered in the achievement of this objective is the creation of a separate administrative unit, namely, a revenue authority, vested with financial and administrative independence. The experience of central banks throughout the world serves as a model for the setting up of such an independent agency.

Some of the countries have taken bold steps toward tax administration reform. It is perhaps too early to reach sweeping conclusions, but the results of these reforms indicate that this may be a promising path to take. Many have been quite successful, at least at the initial stage, ridding the tax administration of many unnecessary, incompetent or untrainable employees while introducing modern information and management systems.

Further, careful consideration should be given to the possibility of privatizing functions of the tax administration that can be more efficiently performed by the private sector. There will be considerable benefit derived from incorporating many of the management techniques used by the private sector in the tax administration. There is a need to continue to instill in the minds of the public administrators the notion that, as members of a tax administration, they should act and be service providers. As such, their actions will be measured in accordance with the quality and efficiency of the service they provide both to the government and the taxpayers. While this may be a significant departure from past practices of the tax administration, it is clearly the future direction of many modern tax administrations.

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Conference diary

For further details of the events listed below please write to the organizers at the addresses indicated.

FEBRUARY 1994

Essential Tax Planning for Groups of Companies, London, 15-16 February 1994 (English):

IBC Legal Studies and Services Ltd., IBC House, Vickers Drive, Brooklands Industrial Park, Weybridge, Surrey KT13 0XS, England, Tel.: 44-71-637 4383, Fax: 44-71-631 3214.

2nd Caribbean Tax Conference, Cancun, 17-18 February 1994 (English):

IBFD International Tax Academy, PO Box 20237, 1000 HE Amsterdam, the Netherlands, Tel.: 31-20-626 7726, Fax: 31-20-620 9397.

Death and Taxes in Europe, Amsterdam, 21-22 February 1994 (English):

IBC Legal Studies and Services Ltd., IBC House, Vickers Drive, Brooklands Industrial Park, Weybridge, Surrey KT13 0XS, England, Tel.: 44-71-637 4383, Fax: 44-71-631 3214.

International Transfer Prices between Companies, Düsseldorf, 23 February 1994 (German):

Verlag Dr. Otto Schmidt, Postbox 51 10 26, 50946 Köln, Germany. Tel.: 0221/93738-419, Fax: 0221-93738-941.

MARCH 1994

International Estate Tax Planning, Amsterdam, 7-8 March 1994 (English):

IBFD International Tax Academy, PO Box 20237, 1000 HE Amsterdam, The Netherlands, Tel.: 31-20-626 7726, Fax: 31-20-620 9397.

The Internal Consultant Development Programme, Bruges, 21-25 March and 18-22 April 1994 (English):

Management Centre Europe, rue Caroly 15, B-1040 Brussels, Belgium, Tel. 32-2-516 1911, Fax: 32-2-513 7108.

International Tax Aspects of Permanent Establishments, Amsterdam, 24-25 March 1994 (English):

IBFD International Tax Academy, PO Box 20237, 1000 HE Amsterdam, The Netherlands, Tel.: 31-20-626 7726, Fax: 31-20-620 9397.

U.K. and International Tax Structuring for Entertainers and Sportsmen, London, 25 March 1994 (English):

IBC Legal Studies and Services Ltd., IBC House, Vickers Drive, Brooklands Industrial Park, Weybridge, Surrey KT13 0XS, England, Tel.: 44-71-637 4383, Fax: 44-71-631 3214.

APRIL 1994

Taxation one year after the start of the Single Market, Brussels, 13 April 1994 (English, French, German):

Confédération Fiscale Européenne, Postfach 13 40, D - 53003 Bonn, Germany, Tel.: 49-228-726 3944, Fax: 49-228-726 3952.

Licensing in Europe for 2002, Delft (Netherlands), 17-20 April 1994 (English):

Congress Office ASD, PO Box 40, 2600 AA Delft, The Netherlands, Tel.: 31-15-120 234, Fax: 31-15-120 250.

International Tax Planning Techniques, Amsterdam, 21-22 April 1994 (English):

IBFD International Tax Academy, PO Box 20237, 1000 HE Amsterdam, The Netherlands, Tel.: 31-20-626 7726, Fax: 31-20-620 9397.

MAY 1994

International Aspects of VAT, Amsterdam, 9-10 May 1994 (English):

IBFD International Tax Academy, PO Box 20237, 1000 HE Amsterdam, The Netherlands, Tel.: 31-20-626 7726, Fax: 31-20-620 9397.

7th East West Tax Conference, Sofia, 26-27 May 1994 (English):

IBFD International Tax Academy, PO Box 20237, 1000 HE Amsterdam, The Netherlands, Tel.: 31-20-626 7726, Fax: 31-20-620 9397.

lands, Tel.: 31-20-626 7726, Fax: 31-20-620 9397.

The Tax Treatment of Transfer Pricing, Amsterdam, 27-28 May 1994 (English):

IBFD International Tax Academy, PO Box 20237, 1000 HE Amsterdam, The Netherlands, Tel.: 31-20-626 7726, Fax: 31-20-620 9397.

JUNE 1994

International Tax Planning Association Meeting, Monte Carlo, 9-10 June 1994 (English):

Elizabeth Husband, ITPA Convention Bureau, PO Box 134, Sevenoaks, Kent TN15 6SZ, England, Tel.: 44-732-762 910, Fax: 44-732-763 762.

Tax Avoidance and Tax Treaties, Amsterdam, 13-14 June 1994 (English):

IBFD International Tax Academy, PO Box 20237, 1000 HE Amsterdam, The Netherlands, Tel.: 31-20-626 7726, Fax: 31-20-620 9397.

JULY 1994

Leyden-Amsterdam-Columbia Summer Program in American Law, Leyden, 3-29 July 1994 (English):

Mrs B. Zaaijer, University of Leyden, Faculty of Law, Columbia Summer Program, Hugo de Grootstraat 27, 2311 XK Leyden, The Netherlands, Tel.: 31-71-277 632, Fax: 31-71-277 600.

AUGUST 1994

Principles of International Taxation, Amsterdam, 22 August-2 September 1994 (English):

IBFD International Tax Academy, PO Box 20237, 1000 HE Amsterdam, The Netherlands, Tel.: 31-20-626 7726, Fax: 31-20-620 9397.