

CHARTERED INSTITUTE OF TAXATION, GHANA





Theme:

BALANCING TAX POLICY AND PRIVATE SECTOR DEVELOPMENT

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- 2 Improve? Technology?
- 3 What does it mean to us?
- 4 A call to action!
- 5 A few matters for further consideration...



What are Tax People responsible for?

These deliverables principally concerns a Private Tax Practitioner

Deliverables

Tax Advice

Tax Accounting and Reporting

Tax Compliance

Tax Audit Defence

Tax deliverables: outputs that a tax function or person responsible for tax delivers. They represent work covering all taxes that must be done each year, quarter, month, week etc.

- For any business, a tax role involves considering how taxes can be used to add value to business. How opportunities can be considered and risks avoided. The principal aim is to enable business objectives as opposed to eroding gains from business.
- The second deliverable is to report taxes and tax situations to all stakeholders who matter i.e. shareholders, stock exchanges, other regulators etc.
- The third is compliance. Various types of returns are completed and provided to the Authority.
- And finally dealing with situations where the Authority comes to check what has been done.

What are Tax People responsible for?

Revenue Officials are also Tax People who have deliverables

Revenue Officials undertake work periodically covering all taxes. The outcome of their work is targeted at achieving certain known objectives.

- They create awareness and educate taxpayers and businesses telling them not only to be careful and overpay taxes but also showing them the opportunities that exist in the laws that will benefit their businesses and the economy.
- Revenue officials have various reporting obligations on taxation and collections to Government and other stakeholders.
- Revenue Officials are burdened with the responsibility of making taxpayer compliance possible through procedures and processes created by them and through insistence.
- Finally, Revenue Officials come for the big check-up conducting Tax Audits

Deliverables

Tax Education

Tax Collection and Reporting

Tax Compliance Enforcement

Tax Audit and Investigations

What are Tax People responsible for?

Taxpayers & Tax Administrators



Taxpayers

Tax Advice

Tax Accounting and Reporting

Tax Compliance

Tax Audit Defence



And it comes down principally to **Compliance**...

Tax Administrators

Tax Education

Tax Collection and Reporting

Tax Compliance Enforcement

Tax Audit and Investigations

Efficiency

How well are resources being used?

Measures the extent to which an action delivers results in an economic and timely way.

EVALUATION AREAS

Economic efficiency

Operational efficiency

Timeliness

Areas for evaluating efficiency

Ex-ante / Ex-post

Economic efficiency:

[1] the absence of waste and

[2] the creation of results in the most cost-efficient way possible.

Areas:

- Appropriateness of choices: and
- ☐ How trade-offs are addressed

Operational efficiency:

How well resources are used during implementation.

Areas:

- ☐ How are resources (re)directed?
- ☐ How are risks identified and managed?
- □ How are decisions being taken especially in response to new information?

Timeliness:

Whether and to what extent the results were achieved within the intended timeframe.

Areas:

- ☐ How realistic or appropriate is the timeframe?
- What efforts are made to overcome obstacles and mitigate delays as things evolved?

Technology for Tax Compliance

Tax Administrators have always been taking steps to improve using technology





Tax Education

- ☐ Vibrant and fully updated websites
- ☐ Availability of information
- Verifications



Tax Operations

- ☐ Emails and shared drives
- Online meeting portals
- Computer hardware and equipment



Tax filings

- Online filing portal
- ☐ Real-time reporting e.g. eVAT system
- Calculators and upload sheets



Tax Audits

- ☐ Emails and shared drives
- Online meeting portals
- Computer hardware and equipment

Technology for Tax Compliance

Taxpayers have always been taking steps to improve using technology





Tax Advice

- ☐ Using business intelligence tools to assist with scenarios and predictive analytics
- Designing and assessing tax controls



Tax Reporting

- ☐ Tax sensitizing the general ledger and legal entity system
- Developing provision analytics through use of small automation



Tax filings

- Automating
 manual return
 processes using
 Analytics and
 Robotics
- ☐ Using tech tools for "zero-touch" during data processing



Tax Audits

- ☐ Reconciliation reporting, and web-enabled data collection
- ☐ Using business analysis tools to triangulate tax information

Leveraging

"using (something) to maximum advantage"



Benefits of employing technology





Improved accuracy/ reduced errors



Increased efficiency and transparency



Better management of data



Improved taxpayer services



Technology innovations

There are several technology innovations that are and can be beneficial





Electronic filing systems

These are accessible and userfriendly platforms for filing returns and making payments, which can improve the taxpayer experience and increase voluntary compliance, reducing the need for enforcement actions.



Blockchain technology

This is a distributed ledger system that records and verifies transactions, which can minimize opportunities for tax evasion and fraud, as digital records are more easily tracked and audited.



Data analytics

These are advanced tools for processing and analysing large volumes of tax data, which can enhance the ability of tax authorities to track transactions, identify risks, and detect non-compliance.

Using technology

Using technology comes with its own challenges which we can overcome



Infrastructure

The transition to a technology-driven tax system requires significant investment in hardware, software, and network systems, which may pose financial and logistical constraints for tax authorities and businesses, especially in developing countries.

Training and support

The adoption of new technologies in tax administration requires adequate and continuous training and support for tax officials and taxpayers, to ensure they have the necessary skills and knowledge to use the digital tools effectively and efficiently.

Data security and privacy

The use of new technologies in tax administration involves the collection, storage, and transmission of sensitive and confidential tax data, which may raise concerns about the protection and integrity of the data, and the potential for cyberattacks, data breaches, and misuse of the data.



A call to action

We need to continue doing things differently









Process



Stakeholder engagement



Innovation and adaptation



Let's discuss further...

Something to think about

- With significant access to data as a result of technology improvement or adoption, are we shifting from a self-assessment tax to a preassessed tax regime?
- □ Is data gathered elsewhere of assessment value or is it only initial information for reconciliation and triangulation?
- With technology, should we increasingly consider tax transaction bundling as opposed to unbundling, that rules and authorities lean towards?
- ☐ Can we ever make our laws so adaptable to changes in technology? Should we drift totally to a purposive interpretation of every rule?
- Does technology mean that we will no longer have discussions to explain ourselves?



In summary...

We need technology

- □ As tax people, our work is heavily process-based using significant amount of data.
- ☐ We need technology to harness insights from data we receive.
- We stand to benefit from employing technology in our work, be it at the policy level, administration level and taxpayer compliance level.



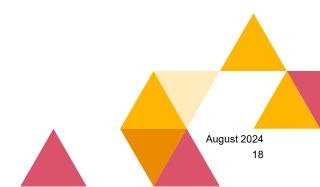


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Compliance, as well as its absence, casts a light on the character and effectiveness of both the rulemaker and the rule-follower.

Consequently, instances of compliance or non-compliance should prompt a thorough self-examination (introspection) and an assessment of external factors (extrospection) by both parties involved.



Thank you!

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