

Chapter 4

Leveraging technology for tax capacity building

This chapter explores how leveraging technology can lead to more efficient and cost-effective delivery of capacity building support. It focuses on the broader application of technology, including e-learning types of approaches. It also provides a more in depth overview of the prototype Knowledge Sharing Platform, developed by Canada, which is a powerful online tool designed to promote, share, exchange and capture tax administration knowledge and expertise.

Given the peer-to-peer nature of tax administration support, it is not surprising that assistance typically has been, and continues to be, delivered in-person. Interaction is arguably a key ingredient of the knowledge sharing process, the importance of which likely increases in step with the degree of sophistication of a particular exchange. That said, as noted in the previous chapter, these efforts are constrained by resource availability, an issue that is taking on greater urgency in view of increasing demand – and one that calls for more efficient and smarter solutions in how elements of capacity building assistance can be delivered. Given the limited resources of tax administrations to undertake capacity building activities, leveraging collective knowledge and expertise will be critical.

Using technology to work smarter

Advances in technology, including the availability of web-based applications, present innovative and low-cost delivery options when compared to traditional delivery mechanisms for strengthening capacity, which can be resource intensive. Experience in other facets of tax administration – for example, service delivery – has shown that, where it makes sense, electronic delivery can satisfy demand in an efficient way. It stands to reason therefore that technology offers considerable potential as a delivery mechanism for capacity building activities. Accordingly, this chapter explores the value of leveraging technology, including e-learning tools, for capacity building purposes, and how it can be complemented and enhanced by the Knowledge Sharing Platform – a prototype global online tool, designed by and for tax administrations.

E-learning

For many tax administrations, new technologies have opened up new opportunities for innovative and efficient ways to build their technical capacity. Webinars, web-based interactive self-study or simulations, collaboration tools and community portals are integral elements of their overall training and learning strategies which offer employees access to a wide variety of resources geared to both formal and informal learning.

Such technologies, as well as more extensive use of social media and translation software, enable online types of learning (e-learning) that create new options for the development of capacity. Also, given the interactive capabilities of these web-based tools, there is considerable scope for efficiencies in how elements of capacity building are delivered.

While there will always be a place and need for classroom training, e-learning opens new opportunities to those who may otherwise be constrained from attending in-person events, for example due to high travel costs or inability to be away from the office for any significant period of time. Other advantages include:

- Uniform presentation of content;
- Self-paced study;
- Repeat access to material;
- Easy to update/upgrade.

While up-front development costs may be higher for online products, distribution costs are considerably lower and studies have concluded that online learning is as effective as classroom learning.

Box 4.1. Canada: Tax audit fundamentals

In 2007, the Canada Revenue Agency (CRA) developed, in collaboration with the Commonwealth Association of Tax Administrators, Tax Audit Fundamentals (TAF), an e-learning tool modelled on the CRA's classroom-based basic audit course. Adapted to an international audience, TAF was subsequently translated into French, Spanish and Portuguese and, thanks to further collaboration with CIAT and CREDAF, made available to tax administration officials in over 100 countries worldwide. TAF provides new auditors with a simple, easy to use tool to help build their audit skills from the comfort of their own office, and it continues to be used today.

Source: Canada Revenue Agency.

While many of these web-based applications are available and used by the tax administration community, others are underutilised (e.g. webinars) or non-existent (e.g. a multi-function knowledge sharing platform). Developing such e-learning based environments offers ample opportunities to create efficiencies and adopt approaches that are more tailored to individual needs.

Knowledge-sharing

With respect to knowledge-sharing, there are a number of useful websites hosted by a variety of organisations which offer a suite of resources for tax administrators. That said, access is often limited based on membership and, for tax administrations, there is no single platform that brings together information from multiple sources or connects the tax administration community globally.

This idea of using a technological platform for capacity building purposes with global reach is not new and has been employed with success in other fields. For example, the Electoral Knowledge Network, which offers a suite of services related to electoral knowledge, assistance and capacity development, has been a valuable asset to those involved in electoral capacity building.

Box 4.2. Electoral Knowledge Network Practitioners' network

The Electoral Knowledge Network practitioners' network is an online community of hundreds of election experts from around the world. The Network is a forum where electoral expertise, experience and knowledge can be shared. The aim of the practitioners' network is to promote the professionalism of the field of elections and to share knowledge resources with the general public. In order to fulfil these goals, the network provides an online space where election practitioners can interact, answer questions, provide peer advice, share and disseminate best practices, encourage new ideas, approaches and lessons learned.

Source: <http://aceproject.org/about-en/practitioners2019-network>.

Indeed, many organisations are already using websites to broaden access to tax administration materials; however, there are undoubtedly benefits and efficiencies to centralising access to these resources and providing additional functionalities to better enable efforts in these areas.

Recognising the benefits of leveraging technology, a number of tax administrations have already begun to explore and develop the use of technology as a tool for knowledge sharing. For example, Australia has developed a website for the SGATAR region (www.sgatar.org), to allow for exchange of ideas and best practices. Canada has also recently completed the development of a prototype online Knowledge Sharing Platform – to be discussed in the next section – to facilitate and promote the sharing of knowledge and expertise among tax administrations.

Knowledge Sharing Platform prototype

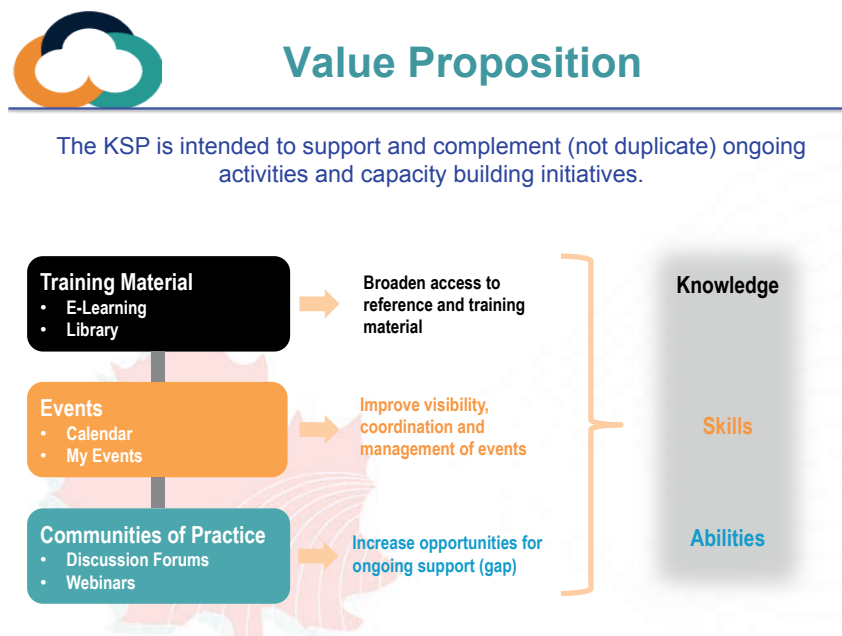
Developed and currently administered by Canada, the Knowledge Sharing Platform prototype has been designed as a global online tool to promote, share, exchange and capture knowledge and expertise. In its end state, such a Platform is intended for use by all interested tax administrations and international/regional tax organisations.

By design, the Platform is comprised of three complementary tiers intended to support, complement and optimise ongoing outreach and capacity building programmes:

- the library component, supporting self-study through e-learning and reference material while improving access and reducing duplication;
- the event management component, for training co-ordination and management as to streamline the learning experience, while driving efficiencies; and
- the communities of practice component, to enable ongoing virtual, interactive and cost-effective support.

These components extend across a system of “hubs” that can be created, branded, populated and managed by participating tax administrations or organisations. With this system, hub owners can reap common benefits without sacrificing autonomy. By design, the Platform will use an inclusive governance model including an “Editorial Board” to

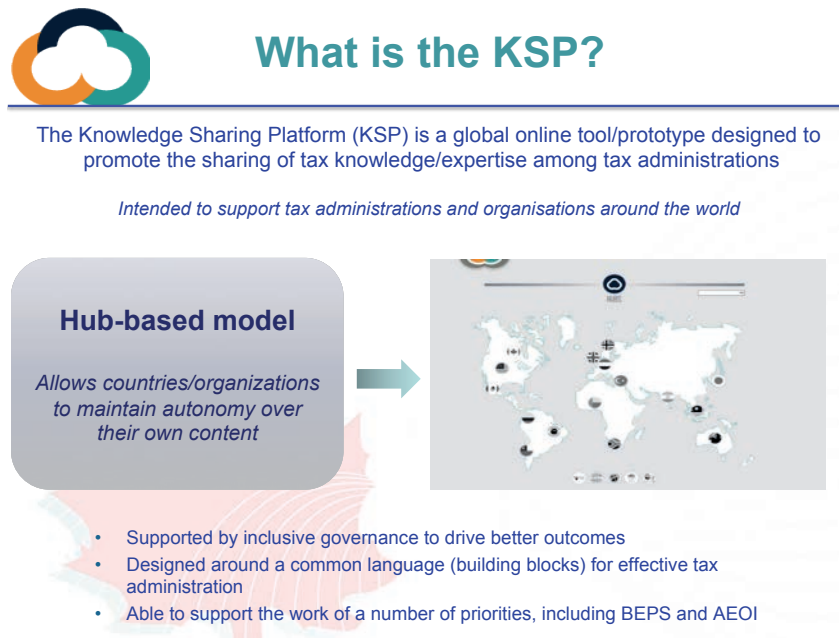
Figure 4.1. Knowledge sharing platform value proposition



Source: Canada Revenue Agency (CRA).

help shape future development, including its co-ordinated management and curation of content. The Editorial Board will be composed of key stakeholder organisations and tax administrations.

Figure 4.2. Knowledge Sharing Platform hub-based model



Source: Canada Revenue Agency (CRA).

In addition, the Knowledge Sharing Platform prototype has been designed to support a range of peer-to-peer technical assistance activities, providing integrated access to tools and materials. Moreover, with global reach, the Platform can also help facilitate broader knowledge sharing, for instance, south-south sharing of experiences and expertise by way of ongoing support, or through the sharing of post assessment insights, results, best practices as self-study reference material.

Several countries and organisations have signalled their interest and support for the Platform, with Canada currently conducting pilots with the Global Relations Programme, and with the Inter-American Centre of Tax Administrations (CIAT), to support the delivery to their respective activities. Moreover, developing countries also welcomed the creation of a Knowledge Sharing Platform, agreeing that it would provide a means to increase the efficiency of the Global Relations Programme and global co-operation in taxation (OECD, 2014:3). The Knowledge Sharing Platform prototype aims to improve access to support for tax administrations seeking assistance, whereas the providers of that support will be able to use it to help manage in-bound demand, across all tax topics including those related to BEPS and AEOI.

Through its core features (e.g. library, event management, and “communities of practice”) the Knowledge Sharing Platform is designed to support, complement and optimise capacity building work. At the outset, the KSP holds great potential as a practical tool for widely disseminating the key outputs of the FTA’s work programme (e.g. guidance on the implementation of BEPS and AEOI).

In the short-term, the prototype will be further developed and refined with a view to migrate to its ultimate end-state. Canada has committed to providing administrative support to the prototype for the next three to five years.

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