



**TOWARDS GREATER
FAIRNESS IN TAXATION**

**A MODEL
TAXPAYER
CHARTER**

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Towards greater fairness in taxation

A Model Taxpayer Charter

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Ian Hayes is a tax practitioner of 40 years standing who has advised on all taxes both national and international. His clients have included governments, multinational corporations, families, SMEs and Charities.

He currently sits on the Council of CIOT and is a member of the Professional Standards Boards of both ICAEW and CIOT. He is also Vice President of CFE and a member of the EU VAT Forum.

He still acts as a consultant adviser to select clients and professionals.

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David Russell was admitted as a solicitor in 1974, and was called to the Bar in 1977.

David is a member of the Law Council of Australia Business Law Section Taxation Committee. He is the AOTCA representative on the Global Tax Advisors Co-operation Forum.

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More information on the three authors can be found on <http://www.taxpayercharter.com>.

About the participating organisations:

AOTCA

The Asia-Oceania Tax Consultants' Association was founded in 1992 by 10 tax professionals' bodies located in the Asian and Oceanic regions. It has expanded to embrace 20 leading organizations from 16 countries/regions with 330,000 individual members.

More information on www.aotca.org

CFE

The Confédération Fiscale Européenne was founded in 1959 as the umbrella organisation representing the tax profession in Europe. CFE's members are 27 professional organisations from 21 European countries with more than 200,000 individual members.

More information on www.cfe-eutax.org

STEP

The Society of Trust and Estate Practitioners is the worldwide professional association for those advising families across generations. STEP members help families plan for their futures: from drafting a will or advising family businesses, to helping international families and protecting vulnerable family members. STEP has over 20,000 members across 95 countries. They include lawyers, accountants and other trust and estate specialists.

More information on www.step.org

Article 1. Introduction and Purpose

1. This Charter of Taxpayer Rights and Responsibilities may be cited as the Taxpayer Charter and within its text is referred to as the Charter.
2. Where defined, terms used in this Charter have the meanings ascribed to them in Article 2.
3. This Charter sets out the rights of a Taxpayer in connection with Tax levied by the State and the obligations of a Taxpayer to the State.
4. This Charter recognizes the sovereignty of the State to levy Tax in accordance with its laws and to administer and enforce such laws.
5. The rights of a Taxpayer under this Charter and the obligations of a Taxpayer are to be taken together with each given appropriate weight such that one does not override the other.
6. The overriding purposes of this Charter are to foster a relationship of mutual trust, respect and responsibilities of Taxpayers for their obligations to the State, and on behalf of the State as to the rights of Taxpayers, to codify the behaviour and duties of the Tax Administration, and through these means to reduce the costs of compliance, increase voluntary compliance, and ensure that all Taxpayers are treated fairly, equally and without bias or preference.

Article 2. Definitions

1. State – A sovereign jurisdiction, including a political subdivision such as a state, province, municipality, or other duly constituted body.
2. Taxpayer – A person who under the laws of the State may be liable to pay Tax to the State, file a reporting form or make a disclosure to the State pursuant to laws concerning Tax and includes for greater certainty an individual, corporation, company, association, partnership, trust, estate, or other form of entity, whether or not resident in or constituted under the laws of the State.
3. Tax – An amount required to be paid pursuant to the laws of the State, calculated based on income, capital, value, production and any other similar basis for which a Taxpayer receives no direct benefit and includes fees and levies of a similar nature whether called a Tax or otherwise.
4. Tax Filing – A form or informational filing including supplementary information provided therewith filed pursuant to the laws of a State concerning Tax.

- 5. Tax Administration – A government body or agency whose purpose is to administer Tax of the State.
- 6. Tax Officer – A representative of the Tax Administration.
- 7. Tax Advisor – A duly appointed representative of a Taxpayer recognized by the State to act on behalf of a Taxpayer in matters concerning Tax.

Article 3. Who and what is covered?

- 1. The persons covered by this Charter include all Taxpayers and their duly appointed Tax Advisors and, in their dealings with Taxpayers and Tax Advisors, all States, Tax Administrations and Tax Officers.
- 2. This Charter applies to all Taxes whether self-assessed or otherwise, interest in respect of such Taxes and penalties, if assessed, and all rights of objection and appeal as well as all Taxpayer records and Tax Filings.

Article 4. Fundamental Principles

As a Taxpayer you have the right to:	And the responsibility to:
<p>1. Integrity and equality The Tax system shall be designed and administered fairly, honestly and with integrity, according to the law, without bias or preference.</p>	<p>1. Be truthful Be truthful in all Tax matters including legally required disclosures.</p>
<p>2. Certainty The Tax system will be designed and administered to provide as far possible certainty, clarity and finality in one’s Tax affairs.</p>	<p>2. Provide information Provide information on a timely basis as and when reasonably required.</p>
<p>3. Efficiency and effectiveness The Tax system will be designed and administered fairly and cost effectively taking into account the attainment of its purposes.</p>	<p>3. Be cooperative Be cooperative in dealings with the Tax Administration, filing Tax returns and information reporting, the conduct of an audit, and payment of Taxes.</p>
<p>4. Appeal and the right to dispute resolution In cases of disputes as to Tax liability an independent, objective, speedy and cost</p>	<p>4. Make payment Pay Tax on time without deduction or offset subject to the right to appeal.</p>

effective appeal process. Disputes as to actions of the Tax Authority will be followed up without fear of reprisal under independent oversight.

5. Appropriate assistance

Taxpayers who face difficulties in carrying out their responsibilities as Taxpayers will be given appropriate assistance by the Tax Administration.

6. Confidentiality and privacy

A Taxpayer's affairs and records will be kept confidential and private except in the case of public hearings in litigation or criminal prosecutions.

7. Pay correct amount of Tax

A Taxpayer is required to pay no more than the amount of Tax based on Tax laws.

8. Representation

A Taxpayer may be represented by a person of the Taxpayer's choosing.

9. Proportionality

Enforcement action including audits, collections, reassessment, penalties and prosecutions will be proportionate to the circumstances.

10. Honesty

In the absence of any evidence to the contrary to be presumed honest.

5. Comply with the law

Comply with Tax responsibilities and seek assistance if necessary.

6. Maintain records

Maintain accurate financial records and supporting information for such period as may be reasonably required.

7. Take due care

Exercise an appropriate degree of care and diligence in taxation matters.

8. Retain responsibility for advisors

Be held accountable for the correctness and completeness of the information supplied to the Tax Administration whether or not another person has been engaged to prepare, assemble and/or submit the information on your behalf.

9. Show courtesy

Treat Tax Officers with courtesy and respect, noting that abuse of Tax Officers in performance of their duties is never acceptable.

10. Comply cross border

Ensure that all legitimate cross border compliance requirements are met.

Article 5. General Provisions

1. A Taxpayer shall be presumed to be honest and truthful unless there is evidence to the contrary.

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2. It is the responsibility of the Tax Administration and the State to maintain the integrity of the Tax system.
3. A Taxpayer shall not use this Charter for frivolous purposes to delay, obstruct, or otherwise interfere with the due process of the State in levying and collecting Tax in accordance with its law or the duties of a Tax Officer pursuant thereto.
4. A Taxpayer shall be responsible to pay only the amount of Tax as required by law, making use of such Tax planning as may be available and permitted.
5. Ignorance of the law shall not be a basis for non-compliance, non-payment of Tax, or defence against a penalty or interest.
6. Legislation shall provide for the relief of interest and penalties, the extension of filing deadlines and the time for making elections for reasonable cause.
7. Tax laws shall not be used in a manner which is discriminatory, or to punish a Taxpayer, profession or industry.
8. For the protection of Taxpayers and the integrity of the Tax system, the Tax Authority shall publicize and warn of schemes and arrangements which they will challenge.

Article 6. Filing of Tax and Information Returns

1. A Taxpayer shall make a Tax Filing as required by the due date and in such manner as provided by law.
2. In the case of self-assessment, the Taxpayer may be required to certify that the Tax Filing is true, correct and complete.
3. In the case of assessment by the State, the Taxpayer may be required to certify that the information given for the purposes of assessment is true, correct and complete.
4. A Taxpayer is responsible for the correctness and completeness of a Tax Filing whether or not another person (a Tax Advisor) has been engaged to prepare the Tax Filing on the Taxpayer's behalf.
5. A Taxpayer shall be required to make only one Tax Filing in each instance and to send the required information only once, unless the Tax Filing or accompanying information is amended or supplemented.
6. The State shall provide clear instructions, guides, forms and information to assist a Taxpayer in a Tax Filing or in providing information.

7. A Taxpayer shall use the forms provided by the State and shall make the Tax Filing in accordance with the instructions on those forms and in any accompanying guides.
8. Subject to a Taxpayer's rights of appeal, a Taxpayer shall make payment of all Taxes, interest and penalties which are rightfully owing in accordance with the requirements of the legislation by the due date for payment and without protest or offset.
9. The Tax Administration shall not apply a refund of a Taxpayer against a liability of the Taxpayer under a different statute without specific legislative provisions enabling the offset.

Article 7. Assessment Process

1. The State shall provide an assessment of Tax following receipt of a Tax Filing or information received within a reasonable period of time and without undue delay.
2. An assessment shall show the computation of the Tax and the basis on which it was levied in sufficient particulars as to enable the Taxpayer to understand the computation.
3. Where an assessment differs from that calculated by the Taxpayer, the reasons for the difference shall be outlined in the assessment in sufficient particulars.
4. Where the assessment levies interest or a penalty, the assessment shall show the calculation of the interest or penalty as the case may be in sufficient particulars as to enable the Taxpayer to verify the computation together with the basis therefor.
5. The State shall provide with the assessment notice details of the Taxpayer's Rights to appeal the assessment with such particulars of the process and applicable deadlines as shall be reasonable to enable the Taxpayer to make such an appeal.

Article 8. Audit Process

1. Where a Taxpayer is requested to provide information in the course of an enquiry or audit, the Taxpayer shall cooperate in providing the information on a timely basis and shall provide complete information and answer questions of fact truthfully and fully.
2. A Taxpayer shall be required to provide only factual information and not interpretations of Tax law.
3. Before commencing an audit or enquiry, a Tax Officer shall notify the Taxpayer of the scope of the audit or enquiry, the issues which are being considered and the

implications of the issues, and advise the Taxpayer of the rights which the Taxpayer has under legislation and under this Charter.

4. A Tax Officer in the course of an audit or enquiry shall request from a Taxpayer only information which is reasonably necessary and applicable to the matters under review.
5. Punitive provisions including penalty provisions should not be used as a negotiating tactic by a Tax Officer.
6. Where questions are asked by a Tax Officer, the purpose of the questions should be clearly disclosed so that a Taxpayer is not asked questions which are misleading, intended to be deceptive or whose answers may be self-incriminating without the Taxpayer being aware. The Taxpayer may refuse to answer such questions, and shall not be required to disclose confidential communications between the Taxpayer and his or her Tax Advisors.
7. In the course of an audit or enquiry, a Taxpayer may request that all communication be in writing and that a Tax Advisor be present at meetings and other proceedings.
8. A Tax Officer shall summarize the results of the audit or enquiry and provide a reasonable length of time for the Taxpayer or a Tax Advisor to respond.
9. A Tax assessment must be justified by the facts and circumstances, and have a basis in law.
10. Where in the course of an audit or enquiry a Tax Officer considers the application of a penalty, this shall be disclosed when such person becomes aware of the circumstances which might justify the penalty.
11. A Taxpayer shall treat Tax Officers with respect and courtesy and shall cooperate with them in pursuance of their duties.

Article 9. Appeals Process

1. A Taxpayer's Rights of appeal in connection with an audit or enquiry producing a reassessment should be explicitly provided for by law and clearly explained.
2. The State shall not deny a Taxpayer the right of appeal or further appeal as part of a settlement agreement of part of a matter in dispute.
3. The Taxpayer shall be provided by the State with all relevant and appropriate information on a timely basis supporting the findings of the audit or enquiry upon request by the Taxpayer in connection with an appeal except where there is a valid

reason to withhold certain information (such as confidential information obtained from third parties).

4. The period for requesting an internal review or filing an appeal shall be held in abeyance during the period that the Taxpayer has requested but not received information in the possession of the State relevant to the assessment in dispute.
5. The Taxpayer or Tax Advisor having filed a request for an internal review shall have a right to request a meeting with a Tax Officer charged with determining such matter at a time and place reasonable in the circumstances. A Taxpayer wishing self-representation in an internal review shall be given reasonable assistance but not counsel, and the Taxpayer shall not be disadvantaged in procedural matters by reason of self-representation.
6. A Taxpayer shall be entitled to a claim of privilege in respect of communications with a duly appointed Tax Advisor concerning communications between them related to technical issues of a Tax appeal.
7. A Taxpayer shall not be entitled to costs in respect of an internal review but may in the judicial process as may be reasonable given all relevant factors.
8. An internal review shall be heard by a Tax Officer who is independent of the audit or enquiry.
9. A Tax Officer adjudicating an internal review shall act impartially and independently and shall recognize but not be bound by the administrative practices and interpretations of the State.
10. The Taxpayer shall not be required to make a payment of Tax, interest or penalties in respect of a matter which is under internal review or appeal unless the grounds relied upon are frivolous and without merit, or if recovery of the assessed Tax is at risk, in which case the reasons for such findings shall be disclosed to the Taxpayer by a Tax Officer.
11. A Taxpayer shall not use the internal review or appeal process to delay the payment of Tax, interest or penalties without a reasonable basis in law.
12. On an appeal to a court of first instance, a Taxpayer shall be entitled to self-representation and to such reasonable assistance as may be required in the circumstances; in particular, the Taxpayer shall not be disadvantaged in procedural matters by reason of self-representation.
13. Where a test case is brought before the courts, a Taxpayer to whom this applies may, but is not obligated to, be bound by the results of the test case.

14. Neither the Taxpayer nor the Tax Administration shall deliberately seek to delay the appeal process.

Article 10. Taxpayer Assistance

1. A Taxpayer shall have the right to be heard and responded to and to receive such assistance as may be reasonable to carry out a Tax Filing.
2. The Tax Administration shall be required to provide assistance as to the application and interpretation of Tax laws but shall not be required to provide planning advice to a Taxpayer.
3. The Tax Administration shall provide Taxpayers with sufficient forms, guides and related information to enable a Taxpayer to comply with the requirements under Tax legislation.
4. The Tax Administration shall keep such forms, guides and information, up-to-date and generally accessible to Taxpayers.
5. Tax Officers must know and apply the law as is applicable in pursuance of their duties.
6. A Taxpayer shall be entitled to reasonable information concerning past Tax records in possession of the State.

Article 11. Service Standards

1. The Tax Administration shall define service standards for its dealings with Taxpayers, publish such service standards, and periodically provide a report on actual performance relative to such service standards which service standards shall include the processing of Tax returns, processing of requests for information, technical interpretations and rulings, waivers and clearances, and the disposition of appeals.
2. The Tax Administration shall publish the results of its audit programs including the number of Taxpayers audited, the general nature of the Taxpayer (i.e. individual, company, resident, non-resident etc.), the revenue raised, the duration of the audit program, and the approximate cost of each program annually.
3. The Tax Administration shall not be responsible for verbal information but shall put such advice in writing if requested in writing to do so in which case the Tax Administration is responsible for the accuracy of such information.

Article 12. Rulings and Interpretations

1. The Tax Administration shall not maintain secret positions on the interpretation of legislation, or based on fiscal data, and where the Tax Administration adopts a position, it shall be published and made generally available to Taxpayers and Tax Advisors.
2. A Taxpayer or a Tax Advisor may apply for a technical interpretation on a matter, and the Tax Administration shall normally respond within a reasonable period of time.
3. A rulings process shall be in place whereby a Taxpayer or a Tax Advisor may apply to the Tax Administration for a ruling on the operation of the taxation law as it affects a Taxpayer, and seek internal review of or appeal an unfavourable ruling.
4. Such a ruling shall be binding on the Tax Administration to the extent of the specific rulings given or arising from internal review or appeal of the ruling, unless the facts are subsequently found to be materially different in respect of the reasonable application of the positions in the ruling.
5. Published interpretations of Tax matters shall be binding on the Tax Administration unless and until withdrawn.

Article 13. Taxpayer Records

1. A Taxpayer shall keep sufficient records to enable the information provided in the Tax Filing to be verified to the extent reasonable in the circumstances.
2. A Taxpayer shall not be subject to unreasonable search and seizure without due process of law.
3. Where a Taxpayer's records are seized by the State, a copy shall be made immediately to the extent that the seizure may impair the Taxpayer's ability to carry on a business or occupation or to institute an internal review or appeal.

Article 14. Privacy and Confidentiality

1. The Tax affairs of a Taxpayer shall be confidential and private and shall not be disclosed other than to the Tax Officers who are charged with handling the affairs of the Taxpayer.
2. The affairs of the Taxpayer shall not be assigned to Tax Officers who have a connection to the Taxpayer or are specifically known to them outside of their dealings as a representative of the Tax Administration.

Article 15. Tax Administration Generally

1. The Tax Administration has the responsibility to enforce the Tax laws of the State and collect Tax on behalf of the State.
2. The Tax Administration shall apply the Tax laws of the State as they are written without bias or exception and shall have no ability to vary therefrom without a basis in law.
3. The Tax Administration may carry out programs of audit and enquiry into particular industries, sectors of the economy, occupations or professions, and, generally speaking, using Taxpayer profiles, but only for valid reasons related to the administration of the Tax system.
4. The foregoing shall not prevent the Tax Administration from carrying out an audit or enquiry into a group of Taxpayers where there is reasonable justification.
5. The Tax Administration shall respond to arguments put forward by a Taxpayer with sufficient detail and reference to Tax legislation as is reasonable in the circumstances including where appropriate a reasoned analysis of the Taxpayer's facts and the interpretation of applicable legislation to the Taxpayer's circumstances.
6. The Tax Administration shall compile and publish statistics of reasonable detail with respect to the Tax levied under the Tax legislation including the revenue raised and the Tax relieved by common deductions and exemptions.
7. A Taxpayer shall be entitled to have communication with the State in any official language which has the force of law in the State at the Taxpayer's choice but that choice of language shall not be altered by the Taxpayer without reasonable cause.
8. A Taxpayer not proficient in an official language used by the State may employ the services of a Tax Advisor in respect of dealings with the State.

Article 16. Burden of Proof

1. A statute of limitations on audit and reassessment shall be clearly stated, with the burden of proof on the Tax Administration in any matters which result in the normal statute of limitations being extended.
2. The burden of proof to demonstrate the applicability of anti-avoidance legislation shall be on the Tax Administration.

3. In any appeal of the penalty the burden of proof to justify the penalty rests on the Tax Administration and in particular the Tax Administration is required to prove the facts for the justification of the penalty.
4. In other circumstances the burden of proof lies normally with the Taxpayer.

Article 17. Tax Legislation

1. Tax legislation shall be written in clear and unambiguous language such that a Taxpayer without specialized professional knowledge shall be able to understand the general provisions of the Tax law with reasonable time, effort and study except for areas that would reasonably require specialized knowledge.
2. Legislation shall not permit interest or a penalty to be levied if it is not reasonably possible for a Taxpayer acting diligently to comply with the legislation without incurring such interest or a penalty.
3. Legislation shall be introduced only through the due process of law, and shall not be effective until the legislation is enacted into law but may apply from the date of announcement if substantially unaltered.
4. If the legislation has the effect of levying additional Tax through an increase in the base for taxation, an increase in the Tax rate, or the reduction or denial of deductions the revenue projected to be raised shall be disclosed with the legislation.
5. Where Tax legislation makes reference to other laws, those laws shall be referred to in the Tax legislation with sufficient particulars to enable an understanding of their general content and not merely incorporated by cross-reference.
6. Where Tax legislation is to be interpreted in accordance with its underlying policy that policy shall be written in the Tax legislation in clear and unambiguous language even if such seems superfluous.
7. Provisions of Tax law which are no longer of relevance shall be removed from the Tax legislation.
8. Tax legislation shall be ordered in an organized and logical manner, such that a subject may be viewed in a reasonably accessible way and to the extent that other provisions are applicable, these shall be cross-referenced to aid in understanding the legislation.

Article 18. Retroactivity of Legislation

1. Legislation shall not be retrospective unless it is relieving in nature.
2. Where legislation has the effect of causing something to be subject to Tax which was not previously so subject or changing the Tax consequences flowing from completed transactions, transitional rules should be provided to enable a fair and reasonable transition.

Article 19. Double Taxation and Relief

1. Legislation shall provide for relief of double taxation, through an exemption or Tax credit mechanism or as may be suitable in the circumstances.

Article 20. Interest and Penalties

1. The Taxpayer shall pay interest as may be calculated and such penalties as may be duly levied in accordance with the law of the State.
2. The State may charge interest on late payments of Tax, and the State shall pay interest on overpayments of Tax with the rate of interest and the calculation basis being the same whether the amount is owing to or from the State.
3. Where a penalty is assessed, the basis of the penalty must be clear and unambiguous in legislation and the basis for the justification of the penalty must be disclosed by the Tax Authority.
4. A Taxpayer shall not be charged a penalty for an error or omission made in good faith provided the Taxpayer has exercised a suitable level of care and due diligence.
5. The State shall have the ability to mitigate or waive a penalty in appropriate cases.
6. Where a penalty results by virtue of a Taxpayer not reasonably being able to comply with a requirement under legislation, then provided the Taxpayer can substantiate with reasonable detail the reasons for this, then the penalty shall be waived.
7. The penalty shall be of an amount and nature which is reasonable to the circumstances giving rise to the penalty and where a penalty is of a level to be considered appropriate to a criminal action, the State shall demonstrate that all the rights of the Taxpayer have been protected and due process has been followed.
8. No penalty shall be levied where the circumstances surrounding the penalty do not involve fault, recognizing that a penalty is a sanction applied in addition to the Tax lawfully due.

9. Interest payable to the State by a Taxpayer, and interest owing by the State to the Taxpayer, may be offset against one another by the State.

Article 21. Voluntary Disclosure

1. A confidential process shall exist whereby a Taxpayer may come forward voluntarily to a Tax Officer to correct deficiencies in past Tax Filings, whether the deficiencies were wilful and deliberate evasion, done in circumstances amounting to gross negligence, negligence, or carelessness or through inadvertence or otherwise.
2. Where a Taxpayer comes forward with a voluntary disclosure, it must be complete in all material respects failing which it shall be invalid.
3. Under a voluntary disclosure, a Taxpayer shall be able to make such elections and designations as would have been available and reasonable had the Taxpayer made these on a timely basis but not so as to allow retroactive Tax planning.
4. Under a voluntary disclosure, penalties may be reduced or waived.
5. Reasonable deadlines may be imposed by the State in respect of a voluntary disclosure such that the process is completed within a reasonable period of time.

Article 22. Legislative Process and Consultation

1. The legislative process for taxation shall provide for the opportunity for interested and affected parties and subject matter experts to provide comment prior to passage of Tax legislation.
2. Legislation which is not passed in a timely manner shall be reintroduced into the legislative process, modified or abandoned, as best suits the circumstances and the Tax policy objectives of the State.

Article 23. Tax Levied Only by Virtue of Law

1. Tax shall be levied only by virtue of law.

Article 24. Equality of Taxpayers

1. All Taxpayers shall be equal before the law.

Article 25. Appropriate Assistance Vulnerable Persons

1. The Tax Administration shall maintain systems and procedures to protect vulnerable persons being Taxpayers who for justifiable reasons may have difficulty in their duty to comply with the requirements of the Tax System.
2. For this purpose vulnerable persons are defined within the context of the circumstances and may include the very elderly, the infirm, persons of limited ability to function in an official language of the State, small business, small estates, and those living below the commonly agreed upon poverty line.
3. For such persons the various provisions of this Charter are to be applied with suitable sensitivity to the circumstances.
4. Without limiting the scope of what might be appropriate in the circumstances, the following are examples of what the Tax Administration should consider:
 - For the very elderly, who may not be capable of carrying out their compliance responsibilities fully and when due, reasonable assistance and filing extensions where the Taxpayer has made reasonable efforts in good faith
 - For the infirm, supplementary means of communication (for the hearing or sight impaired, for example) and reasonable assistance including the completion of Tax returns from summary source documents and thorough communication with an authorized representative
 - For small business, streamlined compliance methods (such as a simplified Tax return), a lesser compliance burden (such as more limited transfer pricing documentation), audit approaches with take into consideration costs of compliance and costs of an audit, and thresholds for certain Tax filings
 - For smaller estates, streamlined procedures and easy to follow instructions
 - For the poor, simplified Tax reporting supplemented by automatic deductions at source
 - In enforcing collection of Tax owing, sensitivity to the circumstances particularly in cases of financial hardship and payment terms within the Taxpayer's means
 - For persons who do not speak an official language of the State, reasonable assistance (such as guides which are unofficial) in foreign languages and dealing through a translator supplied by the Taxpayer.
5. A Taxpayer who may be viewed as a vulnerable person shall not use these provisions to deliberately not comply with Tax responsibilities.

6. A vulnerable person shall not be unduly prejudiced procedurally in dealing with the Tax Authority due to lack of knowledge of Tax laws where it would not be reasonable to expect such knowledge but not so as to gain an advantage or not be subject to the Tax laws that apply to all Taxpayers.
7. Simplified Tax legislation, forms and procedures may be introduced for vulnerable persons.

Article 26. Complaints

1. A complaints procedure shall be established by the Tax Administration.
2. A person making a complaint about the activities of the Tax Administration shall be guaranteed not to be subject to reprisal or prejudicial treatment for so doing.
3. Any such complaint shall be reviewed independently and objectively by a branch of the Tax Administration and unless the complaint is frivolous, the complainant shall have a right to appear and be heard.
4. The fact that a Taxpayer is self interested in the outcome of a complaint shall be a factor to be noted in the evaluation of the matter but not determinative.
5. The complaints procedure is not to be used for determining Tax liability, interest or penalties and shall be confined to the conduct of the Tax Administration in carrying out its duties and not to the assessment and appeal of a matter.

Article 27. Matters Concerning Tax Advisors

1. The rights and responsibilities in this Charter shall apply to Advisors as the context may permit.
2. A Taxpayer shall have the right to be represented by a Tax Advisor.
3. The State may define requirements and procedures for who may represent a Taxpayer as a Tax Advisor.
4. A Tax Advisor shall at all times act truthfully and in good faith and in compliance with applicable rules of ethics and professional conduct.
5. In an appeal a Taxpayer shall have the right to be represented by a Tax Advisor, except that in judicial proceedings the Tax Advisor shall be a lawyer where the judicial system requires this.

6. A Tax Advisor shall have authority to certify Tax returns and information filings on behalf of a Taxpayer and negotiate arrangements on behalf of the Taxpayer if specifically authorized to do so, and in such a case, this authorization is binding on the Taxpayer.

Article 28. Breach of Charter Rights

1. A Taxpayer shall have recourse to complain and plead for an appropriate remedy in the event that a Taxpayer's rights are not adhered to as laid out in this Charter through a suitable mechanism established by the State in its legislation implementing this Charter.

Article 29. Enforcement and Collection of Tax, Interest and Penalties

1. A Taxpayer shall be able to present for consideration a payment arrangement with respect to unpaid Taxes, interest and penalties in circumstances of financial hardship.

Article 30. Tax Avoidance

1. Legislative measures directed to denying Tax effectiveness to otherwise legal transactions whose purpose is principally directed to the reduction of Tax liabilities of particular Taxpayers and which are artificial, blatant and contrived are appropriate measures to maintain the integrity of the taxation system.
2. Such measures need to recognise both the purpose of many provisions of taxation law which afford Tax relief to Taxpayers who enter into transactions as an incentive for them to do so, and also the legitimacy, within clearly defined limits, of Taxpayer choice of the form of transactions and business structures which the Taxpayer will adopt.
3. Tax avoidance legislation shall be drafted with sufficient clarity that its scope can be readily understood and discretion shall not be granted to Tax Officers beyond the specific words of the Tax avoidance legislation.

Article 31. Tax Evasion and Dishonesty

1. Tax evasion being dishonesty is never acceptable and will be subject to penalties and possible prosecution.

Article 32. Corruption

1. Systems, checks and balances, supervision and oversight will be in place to prevent corruption in the Tax system including bribery and intimidation with a suitable whistle-blower mechanism as an additional prevention and detection methodology.
2. Legislation will give discretion in the application of Tax law to Tax Officers only in circumstances where specific legislation is not possible or not practical.
3. The Tax system shall not be used for targeting political opponents or their organizations, meddling, tampering or political interference, obtaining of data and information for personal or political gain or any other similar purposes not related to the administration of the Tax system.
4. Information obtained in a criminal manner shall not be used by a Tax Authority.

Article 33. Special European Union Provisions

1. Any Taxpayer Charter entered into by a Member State of the European Union shall acknowledge the force and primacy of the four fundamental freedoms of the European Union and shall recite the rights of the Taxpayer identified and derived therefrom from time to time and the Member State shall assert its support of those rights.

Article 34. Enabling Legislation

[Reserved for specific enabling legislation of the State]

Article 35. Implementation and Transition Issues

[Reserved for specific implementation and transition issues of the State]

Article 36. Amendments to Charter

[Reserved for a State placing a higher threshold on amendments than the normal legislative process, such as giving the Charter the force of constitutional law]

Article 37. Concluding Matters

[Reserved for signature of the appropriate State body or signatory, and any other matters to be noted]

TOWARDS GREATER FAIRNESS IN TAXATION

A MODEL TAXPAYER CHARTER

Three international professional bodies of tax advisers representing more than half a million tax professionals worldwide, the Asia Oceania Tax Consultants' Association (AOTCA), the Confédération Fiscale Européenne (CFE) and the Society of Trust and Estate Practitioners (STEP) have collaborated on the development of this Model Taxpayer Charter. The provisions were derived from a survey of taxpayer rights and responsibilities in 41 countries, collectively representing over 80 per cent of world GDP.

The overriding purposes of the Charter are to foster a relationship of mutual trust, respect and responsibility between taxpayers and the State, regarding taxpayers' obligations to the State; and, on behalf of the State as to the rights of taxpayers, to codify certain duties of the tax administration. Through these means, it is suggested that it will reduce the costs of compliance, increase the quality and efficacy of willing compliance, and ensure that all taxpayers are treated equally and without bias or preference.

This is an excerpt from the Final Report, *Towards Greater Fairness in Taxation: A Model Taxpayer Charter*, which will shortly be available. More information can be obtained at:

www.taxpayercharter.com.

