

## THE COMMONWEALTH ASSOCIATION OF TAX ADMINISTRATORS

# NEWSLETTER

March 2020

### **Editorial**

These are very trying times for tax administrations. Their resilience is being tested to the extreme. The COVID-19 pandemic has brought into sharp focus the disaster preparedness of these administrations. While many of them have disaster recovery and business continuity programs, the advent of this epidemic is unparalleled in recent memory and the trajectory it may take is yet to be ascertained.

What is clear is that tax administrations must act expeditiously to put in place interventions that may mitigate both short-term and long-term effects of the pandemic. Already several measures are being undertaken by various countries including reviewing due dates for filing and payment of taxes, reviewing tax rates and offering targeted incentives to specific sectors and taxpayer categories.

The shrinking tax bases will put great strain on meeting revenue targets. This will, in turn, aggravate the debt crisis in all countries large and small. With the imminent economic recession looming on the horizon, tax policy will no doubt play a critical role in turning the tide; just at it did in the post-global financial crisis of 2008.

In the short run, automation of tax administration processes will enable them to navigate the crisis. For example, working offsite by tax officials will greatly be facilitated by the automation. This ensures that even in lockdown situations, some minimal services will still be available to the taxpayers. But more importantly, the online tax platforms have made it possible for 'social distancing' between taxpayers and tax officials thereby mitigating the potential spread of the virus.

Regardless of the crisis that tax administrations may encounter in the future, the power of digitalisation cannot be overemphasised. At the end of this crisis, many lesions would have been learnt, some very painful, but we are confident that just like

after the global financial crisis we will emerge stronger.

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News from the Secretariat - please click on the hyperlinks in italics to access

Commonwealth Day 2020

**NTO 4th Council Meeting** 

<u>OECD publishes consultation document on reporting framework for platform operators</u>

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News from our members

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St. James Park London in March, captured by Megan

From a United Kingdom currently in pandemic lockdown, we wish you all an early end to COVID - 19 and continued good health. Better days will come!



**Duncan Onduru** 



Megan Jones



**Gerry Cook**