



# 40th CATA ANNUAL TECHNICAL CONFERENCE 2019

**Cross-Border Shadow Economy and Digitalisation**

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**GROUP 6**

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- ISSUES**
- BEST PRACTICES**
- RECOMMENDATIONS**
- CONCLUSIONS**

- Non registration
- Non compliance
- Incorrect declaration

- Basis of taxation - what are our nexus rules
- Simple and Transparent Tax System
- Registration
- Filing
- effective tax administration
- Reducing the opportunities and increasing detection
- Reinforcing social norms

- Assessing whether our nexus rules captures digitalized activities. This has been global concern raised by OECD who are now working on Unified approach and have come with suggested solutions under Pillar I and Pillar II.
- Whether countries go OECD way or otherwise it is important to agree on approach. This will assure smooth cross border business between countries without double taxation. It will as well eliminate tax avoidance schemes by digitalized economy.
- Common tariff among neighbouring countries,
- One stop centres,
- Tax Inspectors without Borders.
- Digitalized tax system and application of digital forensics that can provide audit trail for digital transactions.

- ❑ Digitalization has made it possible for one to do business without attaining both residence and physical presence. Our current nexus rules are definitely out dated, in this case countries need to agree on a global solution to avoid double taxation and to have mutual approach which will eliminate tax avoidance opportunity by the shadow and digitized economies.
- ❑ Exchange of information between countries platform should be enhanced to eliminate hiding places perpetuates the growth digitalised shadow economy.



**THANK YOU**