

Compliance cooperatives: the tax control framework

The Tax Authority Circular, confirms the value that the OECD guidelines have in the implementation of the regime and, in particular, those issued in May 2016 and focused on the characteristics of the Tax Control Framework (TCF), that is, on that instrument which constitutes the essential structural element in order to realize the concept of strict compliance cooperatives. In this regard, already the directorial decision of April 14th was highlighted as necessary prerequisites:

- First, the prediction that the company has an internal control system for the tax risk management (the tax control framework *cd fact*) that allows the preventive self-assessment of tax risks, providing a continuous view of their own and updated position, if supported by transparency of relations with the tax authorities, can help eliminate or at least mitigate, the uncertainties related to the tax risk management, first of all those connected with operations that could configure the case of circumvention / abuse the law;
- Secondly, the provision that the detection system, measurement, management and risk control of the tax is to be integrated into corporate governance and internal control, thus ensuring a clear allocation of roles and responsibilities and ensuring that there is a mapping and continuous monitoring of the most significant risks. Thus, the management bodies will carry out the examination and assessment of these risks, and identify the critical areas and related corrective actions. This obligation involves the right weight, in terms of corporate responsibility, including the supervisory bodies (such as, for example, the board of auditors and the auditor) and takes the value of a planned commitment of top management on the activities planned for remedy any deficiencies recorded during the period.

The report Treasury-Taxpayer

The implementation by the taxpayer plays a key role in any strategy to combat fraud and tax evasion. In order to ensure tax compliance, both nationally and internationally, it is necessary that the taxpayer is adequately informed of the tax rules in the EU and in Member States in which it operates. The Model Taxpayer Charter has the dual purpose of defining the rights of the taxpayer in relation to taxes imposed by the state and codify the responsibility for financial administration. The Model Taxpayer Charter also promotes the introduction of times a contrasting rules:

- a) avoidance and at the same time it limits the operation to prevent the tax authorities may challenge economic transactions whenever there is a "tax benefit";
- b) avoidance, by distinguishing between the behavior "dishonest and criminal" against the State, and one that leads to a tax saving achieved through schemes of "aggressive tax planning" that, if anything, can detect an elusive plan.