

# **Measures Taken by the Iranian National Tax Administration in Combating Corruption as Inspired by UN Convention against Corruption (May 2013)**

## **Introduction**

Corruption is a global phenomenon which is nowadays of a first priority in most countries' reform plans. Moreover, since, in accordance with provisions of the United Nations Convention against Corruption (UNCAC), combating corruption is expected to have been a first must for UN member states, the Islamic Republic of Iran has also taken it into consideration. I. R. Iran's approach to combating corruption is based upon a proper knowledge of the nature of corruption and prioritizing the factors involved in the emergence of it with a focus on prevention and correction.

In line with the above considerations, Iranian National Tax Administration (INTA) has already taken a large number of anti-corruption measures in the course of performing its mission and in the way towards objectives and functions entrusted to it, more specifically taking into account recent commandments made by the Supreme Leader of the Islamic Republic of Iran in relation to economic corruption. In this summary report, some of these measures have been mentioned in brief.

## **Legislative Framework for INTA's obligations in respect of combating corruption**

- INTA's objectives as stipulated in its Strategic Plan (2010-2014) (Objective 7: Improving the administrative health; Objective 8: Developing the international interactions)
- Para. B Art. 59 of the Third Economic, Social & Cultural Development Plan of I. R. Iran
- Political & managerial will of the Supreme Leader of I. R. Iran (His Excellency's orders in the area of combating economic corruption)
- Provisions of UN Convention against Corruption (in the areas "criminalization and laws enforcement" and "development of international cooperation")
- The Act for Improving Administrative Health & Combating Corruption enacted on 18/05/2008
- Iranian Anti Money-laundering Act
- Executive By-law of the Iranian Anti Money-laundering Act
- Executive By-law for Preventing & Combating Bribery in Administrative Authorities

## **INTA's Institutional Arrangements for Combating Corruption**

Six institutional subsidiaries have been organized with specified functions being relevant to combating corruption in INTA. These divisions that are all under the supervision of INTA's President are as follows:

- Tax Disciplinary Prosecutor
- High Tax Disciplinary Board
- Office for Oversight, Inspection, Performance Assessment & Responding to Complaints
- Office for Combating Money Laundering
- Board for Investigating the Staff's Administrative Offenses
- Security Central Office

### **INTA's Plan for Combating Corruption**

This plan has already been adopted at both national and international levels aiming at achieving INTA's major objectives including increasing accountability, reinforcing partnership in the civil society, decreasing tax evasion through the promotion of transparency and improvement of performance in the areas susceptible of corruption, raising the INTA tax officials' fidelity to ethics and professional codes of conduct, and increasing the tax revenues. Such a plan consists of several areas, the most important ones being as follows:

#### ***1) The Area of Revising the Direct Taxes Act (DTA)***

An important measure corresponding to the provisions of chapter 3 of UNCAC is to discover the legal gaps with the Direct Taxes Act and proposal of new legislation to cover up those gaps. At present, a bill proposed by INTA for revising the Direct Taxes Act is under investigation to be ratified by the Islamic Parliament in near future. The most important amendments proposed by INTA in relation to combating corruption are as follows:

- Criminalizing tax offences as stipulated in Art. 43 of the amendment (annexed Art .274)
- Criminalizing the attempt for a tax offence (annexed Art. 274)
- Criminalizing partnership to a tax crime for private institutes and natural persons performing as Certified/Chartered Accountants or Auditors and Certified Auditing Institutes (annexed Art. 276)
- Criminalizing the acts of instigating, bribing, threatening or stimulating taxpayers to evade taxes (annexed Art. 277).
- Criminalizing calumny for the INTA's officers and staff (annexed Art. 278)
- Observing the rules regarding repetition and multiplicity of tax offences and the terms of mitigation, aggravation and suspension of the punishment of tax crimes (annexed Art. 279)
- Proposing the establishment of a Tax Prosecutor's Office or a Tax Crime Tribunal with the Iranian Judiciary at the request to be made by the President of INTA (annexed Art. 280)

## ***2) The Area of Implementation of TARA (Tax Automation & Revenue Administration) Project***

Another important measure with regards to reducing financial corruption is to mechanize and standardize tax processes. To this end, with reference to Paragraph B, Article 59 of the Third Development Plan of I. R. Iran, the establishment of a modern tax system (entitled as TARA “Tax Automation & Revenue Administration” Project) is under implementation in the form of 32 different sub-projects. TARA’s characteristics with respect of fighting corruption are listed below, and TARA as such, if fully implemented, will be expected to lead to a significant decrease in corruption and to a considerable increase in taxpayers’ satisfaction:

- Tax Process Standardization (PSD)
- Integrated Tax System (ITS)
- Infrastructural Projects (LWT)
- Taxpayer Identification Number (TIN)
- Risk-Based Selection for Audit (RAS-RAL)

## ***3) The Area of VAT Implementation***

After the introduction of the VAT system, due to further transparency in trade transactions, the use of mechanized cashboxes, and the step-by-step registration of different industries/business activities in the VAT system, the tax evasion and fraud levels have significantly been reduced.

## ***4) The Area of Legal Actions against Corruption Committers***

In spite of a wide range of corruption potentials, INTA has already taken a lot of measures to prevent or to combat tax evasion and tax fraud. Some of these measures are as follows:

### *Preventing Actions:*

- ❖ Designing special trainings for tax directors and staff
- ❖ Giving oral warnings to and receiving written undertakings from tax officials susceptible of corruption
- ❖ Preventing from tax evasion, forgery, extortion and fraud through adopting required measures
- ❖ Security oversight over officials susceptible of corruption
- ❖ Confidential monitoring of tax files
- ❖ Identification of areas susceptible of corruption:

- The external factors (factors outside the administration) involved in crime commitment & corruption)
- The internal factors (factors inside the administration) involved in crime commitment & corruption)

*Confronting Actions:*

In order to combat different deviations committed by the staff and other individuals whose actions may lead, in a way or another, to tax losses, a number of essential measures have been taken by INTA in collaboration with judicial or administrative authorities.

**5) *The Area of INTA staff's fidelity to the administration's core values***

- Preparing the Charter of Professional Codes of Conduct and Ethics
- Drafting the INTA's Disciplinary By-law
- Preparing the By-law and Instructions of Investigating Tax Officials' Offenses

**6) *The Area of utilizing the existing capacities in respect of tax laws & other laws relevant to corruption & administrative health***

**7) *The Area of international cooperation in line with the prevention of tax crimes and combating them***

International interactions in terms of technical cooperation, juridical follow ups, and exchange of tax information have already been adopted by INTA for 60 countries in the form of tax treaties, which seem to be effective on preventing or combating tax crimes. As for double taxation avoidance agreements, the Islamic Republic of Iran has already had 40 treaties in force, while 8 treaties have been ratified by the Islamic Parliament (*Majlis*), 3 treaties are waiting for ratification by *Majlis*, and 16 other treaties are under negotiations or studies. It is worth mentioning that in this area the following measures have also been considered:

- The inclusion of anti-avoidance rules in tax treaties recently concluded between I. R. Iran and certain countries, and taking into account such rules in all treaties to be concluded in future.
- The conclusion of a "limited multi-lateral double taxation avoidance and prevention of tax evasion agreement among ECO member states" was proposed by I. R. Iran in the First Meeting of ECO Heads of Tax Administration (Tehran, January 2013) and the issue was subsequently followed up by INTA.
- Another proposal for a similar multi-lateral tax treaty among Islamic countries has also been offered by INTA to the ATAIC (Association of Tax Authorities of Islamic Countries).

8) *The Area of legal capacity of I. R. Iran for adopting the provisions of the United Nations Convention against Corruption (UNCAS) (in respect of “criminalization” and “the enforcement of laws”), and the identification of existing legal gaps*

✓ Art. 15: Bribery by Domestic Government Authorities

Topic	Domestic Law	Description
Bribery by Tax Officials in Tax Offices	<ul style="list-style-type: none"> <li>- Art. 19 of the Act for Investigating Government Employees’ Offenses (1993) or its subsequent amendments</li> <li>- Art 29 of the Act for Criminal Procedure (198/9/1999)</li> <li>- Arts. 91 &amp; 92 of State Services Management Act (30/9/2007)</li> <li>- By-Law for Preventing and Combating Bribery in Administrative Authorities (approval No. H30374T/73377 dd. 12/03/2005 of Council of Ministers)</li> <li>- Act for Improving Administrative Health &amp; Combating Corruption (18/5/2008)</li> <li>- Act for Severing Punishments of Committers of Bribery and Embezzlement and Fraud (enacted on 6/12/1988 by Iran’s Expediency Council)</li> <li>- Chapter 11 of Islamic Punishment Law (1991)</li> </ul>	<ul style="list-style-type: none"> <li>- Criminal Prosecution in judicial authorities</li> <li>- If the commitment of the crime is proved by the judicial authority, then both parties of bribery will be criminally convicted.</li> </ul>

✓ Art. 17: Peculation, embezzlement and illegal use of properties by government authorities

Topic	Domestic Law	Description
Barratry, embezzlement, peculation, and illegal use of properties by government authorities	<ul style="list-style-type: none"> <li>- Arts. 674, 673, 598 &amp; 599 of Islamic Punishment Law (1991)</li> <li>- Arts. 4-7 of Act for Severing Punishments of Committers of Bribery and Embezzlement and Fraud (enacted on 6/12/1988 by Iran’s Expediency Council)</li> </ul>	Punishments specified in relevant laws shall apply to the committers.

✓ Art. 18: Illegal Influence on Transactions

✓ Art. 19: Misuse of One’s Duties & Authorizations

Topic	Domestic Law	Description
<ul style="list-style-type: none"> <li>- Illegal Influence on Transactions Misuse of One’s Duties &amp; Authorizations</li> <li>- Arbitrary Behaviors by Tax Officials in their Ex Officio Tax Assessment</li> </ul>	<ul style="list-style-type: none"> <li>- Act for Prohibition of Receiving Commissions in Foreign Transactions (18/7/1993)</li> <li>- Bill for Preventing Ministers and Parliament Representatives and Government Employees from Intervention in Government or State Transactions” (12/1/1959) and its subsequent amendments</li> <li>- Act for Punishment of Collision in Government Transactions (9/06/1969)</li> <li>- Act for Punishment of Illegal Influence (20/12/1972)</li> <li>- Art. 171 of DTA</li> <li>- Directive No. 201-7113/878 dd. 11/05/2003</li> <li>- Art. 599 of Islamic Punishment Law (1991)</li> <li>- Para. T of Art. 6 and Art. 43 of Executive By-law of Art. 218 of DTA (enacted on 13/6/2011)</li> <li>- Act for Improving Administrative Health and Combating Corruption (18/5/2008)</li> </ul>	<ul style="list-style-type: none"> <li>- Observing legal regulations in transactions</li> <li>- Prohibition of the staff of Ministry of Economic Affairs &amp; Finance or INTA from admitting taxpayer’s advocacy or agency as long as they are in service or ready to serve.</li> <li>- Implementation of various criminal and civil enforcement guarantees in relevant laws in respect of fraud in transactions (i.e. compensation for the losses and imprisonment from 6 months to 5 years)</li> <li>- Preventing tax officials from fraud and illegal influence on tenders or auctions through the presence of Ministers of Justice and Economic Affairs &amp; Finance, representatives of Justice Administration, Public Prosecutor’s Office or Revolutionary Prosecutor’s Office when the tax collection process is operated and when tenders or auctions for the sale of tax debtors’ seized properties are held.</li> </ul> <p><b><u>Existing legal gaps:</u></b></p> <p><u>Tax officials’ misuse of their legal authorizations for ex officio tax assessment and the necessity for an integrated, fair and reasonable approach to be adopted by INTA in regard with self-declaration and reconciliation with guild unions on tax matters</u></p>

✓ Art. 20: Becoming wealthy in illegal ways

Topic	Domestic Law	Description
<ul style="list-style-type: none"> <li>- Becoming wealthy in illegal ways in cases of the Supreme Leader, the President, deputies of the President, Ministers, and their wives/husbands and their children before or after their service term</li> <li>- Illegal acquisition of properties</li> <li>- Collection of extra taxes or tax amounts less than the due amount</li> </ul>	<ul style="list-style-type: none"> <li>- Article 142 of the Constitution of I. R. Iran</li> <li>- Arts. 303-305 of the Iranian Civil Act (8/5/1928)</li> <li>- Art. 2 of the Act for Severing Punishments of Committers of Bribery and Embezzlement and Fraud (enacted on 6/12/1988 by Iran's Expediency Council)</li> <li>- Para. 1, Art. 270 of DTA</li> <li>- Art. 600 of Islamic Punishment Law (1991)</li> </ul>	<ul style="list-style-type: none"> <li>- Financial Supervision by Head of the Judiciary on the wealth of authorities in question in respect of the possibility for becoming wealthy in illegal ways</li> <li>- The committers are subject to restore the properties in question as well as imprisonment from 3 months to 2 years and a cash fine amounting tow times the value of the illegally acquired wealth</li> <li>- The administrative, disciplinary, civil or criminal liabilities are to be borne by the committers and the cases shall be investigated by administrative, disciplinary, or judicial authorities</li> </ul>

✓ Art. 21: Bribery in the Private Sector

Topic	Domestic Law	Description
<ul style="list-style-type: none"> <li>- Barratry and fraud</li> </ul>	<ul style="list-style-type: none"> <li>- Arts. 673 and 674 of Islamic Punishment Law (1991)</li> <li>- Art. 172 of DTA</li> </ul>	<ul style="list-style-type: none"> <li>- Criminalize the illegal actions in the private sector in respect of barratry and fraud</li> <li>- Cancellation of privileges and business licenses of audit institutions in case of commitment of criminal offenses</li> </ul> <p><b><u>Existing Legal Gaps:</u></b></p> <p><u>Criminal laws do not cover private sector in respect of bribery or embezzlement. So, crime titles as mentioned in the present paragraph shall be taken as criminal with respect to the private sector.</u></p>

✓ Art. 23: Laundering the Benefits resulting from the commitment of crimes

Topic	Domestic Law	Description
<ul style="list-style-type: none"> <li>- Money Laundering</li> <li>- Identification of doubtful transactions or operations</li> <li>- Measures taken by suspected persons in the area of taxation</li> <li>- Destruction of tax documents</li> <li>- Deficiencies with the way the documents or papers are mailed to taxpayers</li> </ul>	<ul style="list-style-type: none"> <li>- Act for Combating Money Laundering (22/1/2008)</li> <li>- Executive By-law of the Act for Combating Money Laundering (2009)</li> <li>- INTA's Directive for the Identification of Taxpayers</li> <li>- INTA's Directive for the Identification of Doubtful Transactions or Operations and Method of Reporting</li> <li>- INTA's Directive for the Way Documents or Papers Are Mailed to Taxpayers</li> <li>- INTA's Directive for Observing Anti-Money Laundering Regulations in the Area of Electronic Services</li> <li>- INTA's Directive for Monitoring the Suspected Persons</li> <li>- INTA's Directive for the Maintenance or Destruction of Documents</li> </ul>	<ul style="list-style-type: none"> <li>- Implementation of laws or regulations relevant to combating money laundering through the establishment of the Office for Combating Money Laundering in the INTA's headquarters</li> </ul>

✓ Art. 24: Concealing

Topic	Domestic Law	Description
<ul style="list-style-type: none"> <li>- Concealing properties acquired through criminal or illegal actions</li> <li>- Tax evasion (avoiding taxes by the transfer of properties to one's wife/husband or children)</li> <li>- Concealing of taxpayer's or tax debtor's properties by the help of third parties</li> </ul>	<ul style="list-style-type: none"> <li>- Act for Civil Procedure (9/04/2000)</li> <li>- Arts. 96-111 of the Act for Criminal Procedure (18/9/2008)</li> <li>- Criminalization of cases of concealing in the Islamic Punishment Law (1991)</li> <li>- Note of Art. 201 of DTA</li> <li>- Arts. 27-30 of the Executive By-law of Art. 218 of DTA</li> </ul>	<ul style="list-style-type: none"> <li>- Cancellation of the deeds of ownership of transferred properties by judicial authorities</li> <li>- Detention and custody of properties held by the third parties</li> </ul> <p><b><u>Existing Legal Gaps:</u></b>  <u>Lack of a letter of law in respect of tax evasion and the necessity for explication of Art. 201 of the DTA regarding the criminalization of different cases of corruption resulting from actions or omissions by government officials (INTA's officials and authorities) who encourage taxpayers to evade taxes.</u></p>

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✓ Art. 25: Preventing from Justice

Topic	Domestic Law	Description
Preventing from Justice	<ul style="list-style-type: none"> <li>- Act for Criminal Procedure (18/9/2008)</li> <li>- Act for Civil Procedure (9/04/2000)</li> <li>- Iranian Civil Act</li> <li>- Art. 576 of the Islamic Punishment Law (1991)</li> </ul>	<ul style="list-style-type: none"> <li>- Inclusion of criminal and civil enforcement guarantees</li> <li>- Committers are subject to administrative, disciplinary, civil or criminal charges in the area of taxation</li> <li>- If the offense has been intended to prevent from the implementation of state laws or orders of legal and judicial authorities, the committer shall be subject to dismissal from public service from 1 to 5 years.</li> </ul>

✓ Art. 26: Liabilities of Legal Persons

Topic	Domestic Law	Description
Offenses Committed by Legal Persons	<ul style="list-style-type: none"> <li>- Inclusion of administrative and civil enforcement guarantees</li> <li>- Legal and criminal liabilities of directors of legal entities in respect of their own actions regarding the operation of the legal entity in question</li> <li>- Art. 199 of the DTA and its Notes</li> </ul>	<ul style="list-style-type: none"> <li>- Deprivation from tax exemptions or relieves</li> <li>- Application of tax fines</li> <li>- Deprivation from the impunity of tax fines</li> <li>- Joint liability in respect of paying taxes and tax fines up to 20% of the non-paid tax debts</li> </ul> <p><b><u>Existing Legal Gaps:</u></b></p> <p><u>Lack of transparent regulations for bringing legal action against legal entities and the necessity for legislation regarding the criminalization of the offenses committed by directors of legal persons along with taking the liability of legal persons into consideration</u></p>

- ✓ Art. 27: Partnership and Commencement of Crime
- ✓ Art. 28: Awareness, Animus and Intent as Elements of an Offence
- ✓ Art. 29: Statute of limitations

Topic	Domestic Law	Description
<ul style="list-style-type: none"> <li>- Partnership to a Crime</li> <li>- Attempting a Crime</li> <li>- <i>Mens Rea</i> (Awareness, Animus and Intent)</li> <li>- Criminal Status of Limitations</li> <li>- Tax Status of Limitations</li> </ul>	<ul style="list-style-type: none"> <li>- Art. 173 – 176 of the Criminal Procedure Act</li> <li>- Art. 156 of DTA (regarding the maximum time limit for tax audit and assessment)</li> <li>- Final Section of Para. 2, Art 270 of DTA</li> <li>- Beginning par of Art. 201 of DTA</li> <li>- Art . 43, Bill of Amendment to DTA (materials to be annexed to Arts. 274-280)</li> <li>- Art. 41 of Islamic Punishment Law, enacted in 1991</li> </ul>	<ul style="list-style-type: none"> <li>- Inclusion of sanctions (i.e. law enforcement guarantee) and legal principles needed</li> <li>- At present, the maximum time limit for tax audit and assessment is 5 years.</li> </ul> <p><b><u>Existing Legal Gaps:</u></b></p> <ol style="list-style-type: none"> <li>1. <u>Lack of transparent laws regarding attempting a tax crime and full observance of the principle of “legality of crime and punishment” and “transparency of tax laws”</u></li> <li>2. <u>Lack of providing for the status of limitations for tax disputes in Art. 13 of the Court for Administrative Justice, according to which those taxpayers can complain whose files are subject to tax <i>res judicata</i>.</u></li> </ol>

✓ Art. 30: Prosecution, adjudication and punishment

✓ Art. 31: Freezing, seizure and confiscation

Topic	Domestic Law	Description
<ul style="list-style-type: none"> <li>- Freezing the bank accounts, and forfeiture, confiscation and seizure of the properties of the convicted person in the favor of INTA</li> </ul>	<ul style="list-style-type: none"> <li>- Para. B, Art 262 DTA</li> <li>- Para. 1-2, Art. 270 DTA</li> <li>- Art. 8, Act for Investigating Administrative Offenses</li> <li>- Art. 19, Act for Investigating Administrative Offenses</li> <li>- Art. 210-218, DTA</li> <li>- Executive By-law of Art. 218, DTA</li> <li>- Law of Enforcement of Civil Judgments, enacted in 1977</li> <li>- Provisions of enforcement of penal judgments envisaged in the Criminal Procedure Act</li> <li>- Islamic Punishment Law enacted in 1991</li> </ul>	<ul style="list-style-type: none"> <li>- Denial of jurisdiction and/or dismissal from tax services</li> <li>- Non-appointment in sensitive and managerial positions</li> <li>- Legal sanctions proportionate to the committed violation</li> <li>- Legal, juridical and penal prosecution of the violators</li> <li>- seizure of violators' properties in the favor of INTA</li> <li>- Confiscation and attachment of the properties in favor of the tax body</li> <li>- Freezing the bank accounts</li> <li>- forfeiture, confiscation and attachment of the properties of the convicted person in the favor of INTA</li> </ul>

✓ Art. 32: Protection of witnesses, experts and victims

✓ Art. 33: Protection of reporting persons

Topic	Domestic Law	Description
<ul style="list-style-type: none"><li>- Protection of the witnesses</li><li>- Protection of reporting persons</li></ul>	Art. 264 – 265 DTA	Protecting the reporting persons and witnesses

✓ Art. 35: Compensation for Damage

Topic	Domestic Law	Description
<ul style="list-style-type: none"><li>- Compensation for the damages incurred to the government or to taxpayers</li></ul>	<ul style="list-style-type: none"><li>- Para. 1 &amp; 2, Art. 270, DTA</li><li>- Arts. 242 &amp; 243, DTA</li><li>- Civil Liability Act, enacted in 1960</li><li>- Islamic Punishment Law, enacted in 1991</li><li>- Act for Severing Punishments of Committers of Bribery and Embezzlement and Fraud (enacted in 1988)</li></ul>	<ul style="list-style-type: none"><li>- Compensation for the damages incurred to the government and taxpayers</li><li>- Refund of surplus taxes</li><li>- Issuance of appropriate judgments by administrative and juridical authorities, in proportionate to the damages incurred; (in addition to penal liabilities, the compensation for the damages is taken into account).</li></ul>

✓ Art. 36: Specialized Authorities

Topic	Domestic Law	Description
<ul style="list-style-type: none"> <li>- Tax Disciplinary Prosecutor</li> <li>- High Tax Disciplinary Board</li> <li>- Office for Oversight, Inspection, Performance Assessment &amp; Responding to Complaints</li> <li>- Office for Combating Money Laundering</li> <li>- Board for Investigating the Staff's Administrative Offenses</li> <li>- Security Central Office</li> </ul>	<ul style="list-style-type: none"> <li>- Art. 267-267, 271 and 218, DTA</li> <li>- Act for Combating Money Laundering enacted 2007</li> <li>- Administrative Bylaw of the Act for Combating Money Laundering , enacted 2009</li> <li>- Act for Investigating Administrative Offenses</li> </ul>	<ul style="list-style-type: none"> <li>- Investigating: the stake holder's complaint/reports received/cases entrusted by the Minister of Economic Affairs and Finance, the President of INTA or High Tax Disciplinary Board</li> <li>- Investigating the individuals' offences</li> <li>- Punishment of the INTA's tax officers and offences of INTA's representatives in the Boards of Settlement of Tax Disputes</li> <li>- Dismissal of the tax officers from the public service</li> <li>- Identification of taxpayers and the hidden or unreal taxes</li> <li>- Constant inspection (regularly or irregularly) of INTA's subsidiary branches in respect of tax evasion</li> <li>- Monitoring the properties under custody and taxpayers barred from leaving the country</li> <li>- Adopting effective procedures to identify taxpayers, in accordance with the relevant regulations and constant control over them / review of them</li> <li>- Inspecting and monitoring the subparts of the organization in order to verify the full implementation of the law, bylaws and circulars</li> <li>- Creating a system for gathering the data of doubtful transactions and suspected persons and sending relevant reports to the Financial Intelligence Unit, and preparing or updating relevant directives on the staff reporting</li> <li>- Recognizing the major offences and their potentials and mechanism in order to report to the related authorities</li> <li>- Monitoring public tenders and auctions</li> <li>- Preventing any misuse and forgery</li> </ul> <p><b><u>Existing Legal Gaps:</u></b></p> <ul style="list-style-type: none"> <li>- <u>Ineffectiveness of the Tax Disciplinary Prosecutor due to the lack of a Public Tax Court for preventing, combating, recognizing and prosecuting of administrative and tax corruption</u></li> <li>- <u>Lack of a specialized Tax Police disciplinary body</u></li> </ul>

- ✓ Art. 37 – Cooperation with law enforcement authorities
- ✓ Art. 38 – Cooperation between national authorities
- ✓ Art. 39 – Cooperation between national authorities and the private sector
- ✓ Art. 40 – Bank secrecy
- ✓ Art. 41- Penal records
- ✓ Art. 42 – Jurisdiction

Topic	Domestic Law	Description
Legal and penal prosecution in cooperation with competent authorities and specialized authorities inside or outside the INTA	<ul style="list-style-type: none"> <li>- DTA</li> <li>- Criminal Procedure Act</li> <li>- Islamic Punishment Law</li> <li>- Act for Enforcement Civil Judgments, enacted 1977</li> <li>- Act for Investigating Administrative Offences</li> <li>- Act for Combating Money Laundering, enacted in 2009</li> <li>- Civil Procedure Act</li> <li>- Executive Bylaw of the Act for Combating Money Laundering, enacted in 2007</li> <li>- Act for Improving Administrative Health and Combating Corruption, enacted 2009</li> </ul>	The penal and disciplinary records of tax officials accused of tax offences are documented in their related disciplinary records with Tax Disciplinary Prosecutor's office. Then, then cases will be sent to Public Courts where, taking into consideration their scope of jurisdiction for investigating the mentioned offences, the hearing and investigation processes will be done.

### **9) Other Areas or Measures**

- Standardization of tax forms by making use of watermark papers with security shields in order to decrease the possibility of tax sheet forgery;
- Inclusion of tax rules and regulations on the official websites of INTA;
- Mechanization of tax or fiscal processes and administrative correspondence to eliminate the probability of face-to-face interaction of tax officials and taxpayers which is expected to decrease the levels of corruption;
- Uploading the documents of tax treaties on the official websites of INTA in order for the public to have access to them;

- Promotion of electronic return filing which may result in a considerable decrease of tax crimes and corruption;
- Restructuring the tax file record system which allows the intelligent tracing of each and every tax file in any stages of tax audit or investigation process; and
- Improving the method of employment and maintaining the staff through developing specific directives in order to decrease personal and subjective attitudes towards screening and appointing personnel.

### **Future Plans**

- Promotion of the conclusion of agreements for the exchange of tax information within the framework approved by INTA with a special focus on anti-avoidance rules;
- Full access to the databases outside the administration;
- Employment of a reasonable number of human resources based on the country's population;
- Setting up a sale cashier system for the purpose of transparency in economic activities; and
- Following up the approval of bills of amending the DTA.