

## **Attachment 1a**

### **Topic Description and Guide on Presentation**

Member State representatives and other Conference participants are kindly requested to prepare their working papers for presentations of 20 minutes followed by a maximum of 10 minutes for discussion. Each working paper should have an abstract (of some 150 words) followed by a number of 5 to 7 keywords and should follow a reasonable scientific format including “introduction”, “discussion” and “conclusion” sections.

Working papers are highly recommended to be prepared as PowerPoint files according to the Presentation Template attached to the Invitation Letter. Presentations shall primarily be made in English but working papers in Arabic or French will also be warmly welcomed.

As for the content, the authors are kindly recommended to prepare their working papers on the two Conference Topics only bearing in mind the descriptions provided below:

#### ***Topic (1):***

#### ***Developments in the Tax System and Moving towards a Desirable Tax System***

Any society requires effective precise systems that enable faster and more exact collection of taxes so that taxpayers may experience discipline, accuracy, and transparency and, accordingly, can feel a fair taxation system, when they pay their due taxes. Doing feasibility and diagnostic studies, designing and implementing effective systems of tax assessment and collection may be well regarded as major ways of improving the overall standards and effectiveness of a taxation system.

Under Topic (1) of this year ATAIC Technical Conference entitled “Developments in the Tax System and Moving towards a Desirable Tax System”, Member State representatives and other participants will share their ideas on how to review the existing tax systems aiming at identifying their shortcomings and deficiencies as well as areas to be improved through making comparison with more

successful and modern tax systems in the world, so that they can eventually draw a road map on how to get from the current point to a desirable point in future.

In the line with this particular objective, the following themes are proposed to be taken into account by Member States and conference participants in preparing working papers on Topic (1):

- Diagnostic analysis of the existing tax systems;
- Characteristics of a desirable tax system;
- Development and change management;
- Prevention of tax evasion through modern ICT solutions;
- Reengineering of administration processes;
- Information security;
- Case study of successful countries in regard with tax system reform; and
- Data management and analysis.

### ***Topic (2): Taxation of Digital Economy and Services***

The digital economy is the result of a transformative process brought by information and communication technology (ICT). The ICT revolution has made technologies cheaper, more powerful, and widely standardized, improving business processes and bolstering innovation across all sectors of the economy. For example, *retailers* allow customers to place online orders and are able to gather and analyze customer data to provide personalized service and advertising; *financial services* providers increasingly enable customers to manage their finances, conduct transactions and access new products on line; in the *education* sector, universities and other education service providers are able to provide courses remotely, which enables them to tap into global demand; and in the *healthcare* sector, the digital economy is enabling remote diagnosis and the use of health records to enhance system efficiencies and patient experience.

Because the digital economy is increasingly becoming the economy itself, it would be difficult, if not impossible, to ring-fence the digital economy from the rest of the economy for tax purposes. As a result, the tax challenges raised by the digital economy are better identified and addressed by analyzing existing structures adopted by MNEs together with new business models. Modern advances in ICT have made it possible to conduct many types of business at substantially greater

scale and over longer distances than was previously possible. These include several varieties of e-commerce, online payment services, app stores, online advertising, and high-speed trading.

The digital economy and its business models present some key features which are potentially relevant from a tax perspective. These features include *mobility*, with respect to (i) the intangibles on which the digital economy relies heavily, (ii) users, and (iii) business functions; *reliance on data*, the massive use of which has been facilitated by an increase in computing power and storage capacity and a decrease in data storage cost; *the spread of multi-sided business models*, in which multiple distinct groups of persons interact through an intermediary or platform, where the decisions of each group of persons affect the outcome for others; *tendency toward monopoly* in certain business models; and *unpredictability* due to lower barriers to entry into markets and rapidly evolving technology, as well as the speed with which customers can choose to adopt new products and services at the expense of older ones.

Bearing in mind what was stated above, under topic (2) of this year ATAIC Technical Conference, direct and indirect tax challenges of the digital economy will be discussed, more specifically in the light of recent advancements in modern taxation including the OECD's BEPS Project. The topic revisits the question of whether or not specific measures are needed for the digital sector. Taking into account the recent scandals involving big digital companies and their aggressive tax planning practices in some developed economies, ATAIC Member States will be searching for policy recommendations for further tax reforms in order to tackle tax avoidance and harmful competition resulting from the increasing digitalization of economy.