ICPAK 2016 ANNUAL TAX CONFERENCE

THEME:
IS TAX A MONSTER? DISPELLING THE MYTHS

TOPIC
Regional Perspectives on Taxation –
The East African Region

Wednesday 21st September, 2016 at Pride Inn Paradise, Mombasa

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Voluntary Compliance
Factors Influencing Voluntary Compliance

1. Deterrence - Size of sanctions

2. Affordability / compliance cost


4. Opportunities - Provision of services in return for taxes paid

5. Tax moral - Social norms

6. Regulations - No opportunity to evade
Voluntary Compliance – Why Comply?

• Deterrence laws
• Country laws and regulations
• Fairness and trust
• Integrity
• Compliance reliefs
Fostering Voluntary Compliance

• Simple compliance rules and regulations

• Tax payer education and outreach programs on voluntary compliance

• Litigation on defaulters – joint and several liability

• Reducing compliance costs

• Online tax services and information
Barriers to Voluntary Compliance

- Perceptions of an unfair tax system
- Fraud
- Tax Evasion and Avoidance schemes
- General tax non-compliance
  - Tax Errors
  - Non payment
  - Late payment
  - Under-reporting
Tax Administration
Tax Administration

• Adequate tax laws and regulations

• Effective and efficient tax payment / Collection
  • Enforcement - Simplifying registration, procedures and processes

• Quality control on tax systems and collection agencies
Tax Administration

- Simplification of tax laws - Clear, unambiguous rules to avoid conflicts

- Double Treaty Agreements

- Tax tribunals and appeals mechanism

- Training and education on tax laws

- Concessions and consultations

- Facilitation of tax exemptions & tax incentives
Tax Information Sharing
Tax Information Sharing – Why?

• Strengthening tax policies

• Improved tax administration

• Building on tax treaties

• Shared tax responsibility
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Tax information sharing - assessment

- Regulatory obligations
- Performance indicators and Assessment tools
- Tax Planning
- Improved tax enforcement agencies
- Tax transparency and accountability
- Broad Access to tax information

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Tax Information Sharing - Negatives

- Lack of genuineness in the partnerships
- Fluctuating tax rates
- Non co-ordination of tax regimes
- Complexity in tax rates and boundaries
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THANK YOU

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