



**FISCAL AFFAIRS**

# **Challenges and the road ahead**

**TAX GAP WORKSHOP**

**MARCH 21, 2024**

IMF team  
Fiscal Affairs Department

# Overall challenges

- **Complex tax designs make more difficult estimations, possibly affecting the accuracy of results.**
- **Inadequate governance of the tax gap analysis function might reduce its effectiveness.**
- **Limited estimation capabilities prevent us from using more robust methodological approaches.**
- **A weak data governance framework affects negatively the tax gap analysis function.**
- **Weaknesses on day-to-day operations might affect estimations.**
- **Lack of dissemination of tax gap results undermines transparency and accountability.**

# **A possible roadmap for ATI partner states**

- **A gradual/incremental approach**
  - ▶ **Start with any reasonable initial output (the best way of getting ahead is getting started).**
- **A short-term commitment: agree on the creation of an ATI tax gap community of interest**
  - ▶ **knowledge sharing accelerates absorption capacities**
  - ▶ **dissemination of good practices**
- **A medium-term commitment: committing to develop an ATI tax gap report.**

# ATI tax gap community of Interest

- **Have an opportunity to continue exchanging ideas and thoughts about the development of tax gap estimates.**
  - ▶ **Might involve information sharing, Q&A sessions, topic-based training.**
- **Initially comprising all participants involved in the present workshop**
  - ▶ **Observers: UNU-WIDER, WB, and IMF**
  - ▶ **Rotative chair roles**
- **Modality: virtual at a time most convenient for all participants (recording available?)**
- **Frequency: bi-annually?**
- **E-platform: tbd**