Digitalisation and Digital Transformation in Tax Administrations

Regional Trends and Insights



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REGIONAL TRENDS AND INSIGHTS

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Foreword

Many tax administrations have embarked on digital transformation journeys, introducing a range of new initiatives and innovations aimed at reducing burdens and supporting compliance. *Digitalisation and Digital Transformation in Tax Administration: Regional Trends and Insights* provides an overview of the extent and progress of these efforts across more than one hundred economies, bringing together data by geographical regions to facilitate the comparison of progress, the understanding of current developments, and the identification of emerging practices. While administrations may be at different stages of their transformation, they often pursue similar objectives, face common challenges, and can benefit from shared experiences.

By drawing on data from the *Inventory of Tax Technology Initiatives* (OECD et al., 2025[1]), supplemented by examples of innovative practices, this publication supports tax administrations in exploring potential approaches to domestic digitalisation and transformation reforms. It should be noted that the underlying data has not been reviewed or validated by the OECD and should be considered as self-reported by the economies concerned.

To facilitate comparison of progress, enhance understanding of current developments and help identify emerging practices, the publication groups the economies covered by the inventory into seven geographical regions: Africa; Central and West Asia; East and South Asia; Central and East Europe; North, South and West Europe; Latin America and the Caribbean; and Pacific Islands. More detail on this can be found in the Reader's Guide.

The publication was prepared by the OECD Secretariat supporting the OECD Forum on Tax Administration (FTA), with assistance from the African Tax Administration Forum, the Asian Development Bank, the *Cercle de Reflexion et d'Echange des Dirigeants des Administrations Fiscale*, the Commonwealth Association of Tax Administrators, the Inter-American Center of Tax Administrations, the Intra-European Organisation of Tax Administrations, the Pacific Islands Tax Administrators Association and the Study Group on Asia-Pacific Tax Administration and Research.

Acknowledgements

The report *Digitalisation and Digital Transformation in Tax Administration: Regional Trends and Insights* summarises data from the *Inventory of Tax Technology Initiatives* (ITTI) (OECD et al., 2025[1]) which was collected through the 2024 Global Survey on Digitalisation. It would not have been possible without the direct support and help of a large number of people, particularly the staff in the tax administrations that provided the data and the examples that form the basis of the publication.

This report was prepared by Sophie Arjevanidze and Oliver Petzold from the OECD Centre for Tax Policy and Administration (CTPA) under the supervision of Claudia Vargas, the Head of the Tax Administration and VAT Division.

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Reader's guide

Digitalisation and Digital Transformation in Tax Administration: Regional Trends and Insights provides an overview on the extent and progress of technology tools and digitalisation solutions implemented by tax administrations. Its primary purpose is to support tax administrations in exploring potential approaches to domestic digitalisation and transformation reforms by facilitating the comparison of initiatives, enhancing understanding of current developments, and help identifying emerging practices. The regional perspective adopted in the publication provides additional insights into how digitalisation efforts are evolving across different parts of the world, highlighting both common patterns and regional differences, while helping administrations identify potentially relevant approaches and innovations, including those emerging outside their traditional peer groups and partner economies.

Tax administrations covered by this report

This report summarises the data from the 108 economies covered by the *Inventory of Tax Technology Initiatives* (OECD et al., 2025[1]), including all economies that participate in the OECD's Forum on Tax Administration (FTA).

To obtain regional insights, the report groups those economies into seven geographical regions:

- ***Africa***, covering 17 economies: Angola, Benin, Burkina Faso, Côte d'Ivoire, the Kingdom of Eswatini (hereafter 'Eswatini'), Gambia, Kenya, Lesotho, Madagascar, Mali, Mauritius, Namibia, Rwanda, Seychelles, Sierra Leone, South Africa, and Zambia.
- ***Central and West Asia***, covering 10 economies: Armenia, Azerbaijan, Cyprus, Georgia, Israel, Kyrgyzstan, Saudi Arabia, Tajikistan, the Republic of Türkiye, and the United Arab Emirates.
- ***East and South Asia***, covering 20 economies: Bhutan, Brunei Darussalam, Cambodia, the People's Republic of China (hereafter 'China'), Hong Kong (China), India, Indonesia, Japan, Korea, Lao People's Democratic Republic, Macau (China), Malaysia, Maldives, Mongolia, Nepal, Philippines, Singapore, Sri Lanka, Chinese Taipei, and Thailand.
- ***Central and East Europe***, covering 14 economies: Albania, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, the Republic of Moldova (hereafter 'Moldova'), Poland, Romania, the Slovak Republic, Slovenia, and Ukraine.
- ***North, South and West Europe***, covering 19 economies: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.
- ***Latin America and the Caribbean***, covering 16 economies: Argentina, Barbados, Belize, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Guatemala, Honduras, Mexico, Paraguay, Peru, Saint Lucia, and Uruguay.
- ***Pacific Islands***, covering 8 economies: the Cook Islands, Fiji, the Marshall Islands, Nauru, Papua New Guinea, the Solomon Islands, Tuvalu, and Vanuatu.

It should be noted that four of the 108 economies included in inventory (Australia, Canada, New Zealand and the United States) have not been included in any of the regions but they are included in the overall averages shown in the figures and tables.

The inventory of tax technology initiatives

The inventory is the result of a global partnership. It has been put together with the assistance of the ISORA Partners (the Asian Development Bank, the Inter-American Center of Tax Administrations, the International Monetary Fund, the Intra-European Organisation of Tax Administrations and the OECD), the African Tax Administration Forum, the *Cercle de Reflexion et d'Echange des Dirigeants des Administrations Fiscale*, the Commonwealth Association of Tax Administrators, the Pacific Islands Tax Administrators Association and the Study Group on Asia-Pacific Tax Administration and Research.

It is managed by the OECD Secretariat and can be accessed through the following link: https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Data gathering process

The data underlying the inventory was collected through the 2024 Global Survey on Digitalisation [1] which was launched in April 2024 and completed by 108 economies. The data has not been reviewed or validated by the OECD or any of the partner organisations. As a result, all data should be considered as self-reported by the economies concerned.

Example boxes in this report draw on written contributions from jurisdictions, with source labels indicating the jurisdiction and the year in which the information was provided.

Publication structure

The publication is structured around seven chapters. Following an introduction, there is a chapter on each of the six building blocks of the OECD's vision for the digital transformation of tax administration, referred to as the Tax Administration 3.0 vision, and as described in the OECD publication *Tax Administration 3.0: The Digital Transformation of Tax Administration* (OECD, 2020[2]): digital identity; taxpayer touchpoints; data management and standards; tax rule management and application; new skill sets; and governance frameworks.

OECD Forum on Tax Administration

The FTA is a unique body bringing together tax commissioners and tax administration officials from over 50 OECD and non-OECD economies. The FTA is a forum through which tax administrators share knowledge, undertake research and develop new ideas to enhance tax administration around the world. Readers wishing to find out more about the FTA should go to: https://www.oecd.org/en/networks/oecd-forum-on-tax-administration.html. For more information on the OECD's work on tax administration, please visit: https://www.oecd.org/en/topics/tax-administration.html. (Both links accessed on 17 June 2026).

Caveat

Tax administrations operate in varied environments, and the way in which they each administer their taxation system differs in respect to their policy and legislative environment and their administrative practice and culture. As such, a standard approach to tax administration may be neither practical nor desirable in a particular instance. Therefore, this report and the observations it makes need to be interpreted with this in mind. Care should be taken when considering an economy's practices to fully appreciate the complex factors that have shaped a particular approach. Similarly, regard needs to be had to the distinct challenges and priorities each administration is managing.

Abbreviations and acronyms

ADB	Asian Development Bank
API	Application Programming Interface
AI	Artificial Intelligence
ARCA	Agencia de Recaudación y Control Aduanero (Argentinian tax administration)
ATAF	African Tax Administration Forum
ATO	Australian Taxation Office
CATA	Commonwealth Association of Tax Administrators
CAVALI	Central Securities Register and Depositary of Peru
CFAF	Communauté financière en Afrique Franc
CIAT	Inter-American Center of Tax Administrations
CIE	Electronic Identity Card (Italy)
CIN	National Identity Card (Brazil)
CIT	Corporate Income Tax
CRA	Canada Revenue Agency
CREDAF	Cercle de Reflexion et d'Echange des Dirigeants des Administrations Fiscale
DGI	Directorate General of Taxes (Côte d'Ivoire)
DI	Digital Identity
DIAN	Dirección de Impuestos y Aduanas Nacionales (Colombia)
DIV	Digital Identity Validation (Canada)
DJP	Directorate General of Taxes (Indonesia)
DLT	Distributed Ledger Technology
EDS	Electronic Declaration System (Latvia)
EFD	Electronic Fiscal Device
ERS	Eswatini Revenue Service
eTIMS	Electronic Tax Invoice Management System (Kenya)
EU	European Union
FRCS	Fiji Revenue and Customs Service

FTA	Forum on Tax Administration
GenAI	Generative Artificial Intelligence
HMRC	HM Revenue and Customs (United Kingdom)
HR	Human Resources
ICS	Information and Communication System
ICT	Information and Communication Technology
IOTA	Intra-European Organisation of Tax Administrations
IRAS	Inland Revenue Authority of Singapore
IRBM	Inland Revenue Board of Malaysia
ITR	Income Tax Return (India)
ITTI	Inventory of Tax Technology Initiatives
KRA	Kenya Revenue Authority
LLM	Large Language Model
ML	Machine Learning
MRA	Mauritius Revenue Authority
MSME	Micro, Small and Medium-sized Enterprises
MTCA	Malta Tax and Customs Administration
NLP	Natural Language Processing
NRA	National Revenue Agency (Bulgaria)
NTA	National Tax Agency (Japan)
NTS	National Tax Service (Korea)
OECD	Organisation for Economic Cooperation and Development
OTR	Togolese Revenue Authority
PAYE	Pay-as-you-earn
PIT	Personal Income Tax
PITAA	Pacific Islands Tax Administrators Association
POS	Point of Sale
RADIAN	Registro de la Factura Electrónica de Venta como Título Valor (Colombia)
RCV	Registro de Compras y Ventas (Purchase and Sales Ledger)
RFB	Federal Revenue of Brazil
SARS	South African Revenue Service
SAF-T	Standard Audit File for Tax
SII	Servicio de Impuestos Internos (Chilean tax administration)
SMS	Short Message Service
SPID	Public Digital Identity System (Italy)

SQM	Service Quality Monitoring
SRC	State Revenue Committee (Armenia)
SRS	State Revenue Service (Latvia)
STA	State Taxation Administration (People's Republic of China)
STA	State Tax Service (Azerbaijan)
STA	Swedish Tax Agency
SUNAT	Superintendencia Nacional de Administración Tributaria (Peruvian tax administration)
TAM	Taxpayer Account Management
TIN	Taxpayer Identification Number
TPOS	Taxpayer Online Service
UAH	Ukrainian Hryvnia
USSD	Unstructured Supplementary Service Data
VAT	Value Added Tax
ZRA	Zambia Revenue Authority

Executive summary

Since the OECD's Forum on Tax Administration (FTA) set out the Tax Administration 3.0 vision in 2020 (OECD, 2020[2]), many tax administrations have accelerated their digital transformation, expanding the use of technology to improve efficiency, enhance compliance, and reduce taxpayer burden. Increasingly, administrations are working towards more seamless, integrated, and user-centric tax systems.

Drawing on data from the Inventory of Tax Technology Initiatives (ITTI) (OECD et al., 2025[1]) covering 108 tax administrations, this report examines progress in digitalisation and transformation both globally and across regions. The regional perspective adopted in this publication is intended primarily to support tax administration analysts and strategists in identifying domestic reform opportunities and areas for collaboration, including with administrations beyond their traditional peer groups and partner economies. It also provides senior decision-makers with a clear view of global trends.

The findings reveal differing levels of maturity in the adoption and use of technology across regions. Against this backdrop, the key findings below highlight major global trends and patterns among the 108 economies covered by this publication.

- **Digital identity as a foundation**: Most taxpayers, particularly in Asia and Europe, now access tax administration services through digital identities, enabling secure authentication and providing a foundation for real-time data exchange between systems.

  Around half of tax administrations report that these digital identities can also be used to access services provided by other government bodies, reflecting growing levels of cross-government integration. This is most commonly seen in Europe and Latin America and the Caribbean.
- **Integration and user-centric services**: More than 80% of administrations covered by the inventory, including all those in Africa and Central and West Asia, are developing application programming interfaces (APIs), with over half making them publicly available to facilitate integration of tax interactions with third-party systems. Publicly available APIs are particularly common among European administrations.

  Some administrations are also partnering with third parties to develop software solutions, notably in Africa and Latin America and the Caribbean. Others are developing digital tools that integrate naturally into taxpayer's existing business systems and processes, particularly in Central and West Asia and Latin America and the Caribbean.

  Automation of processes and interactions continues to expand, including through the early adoption of artificial intelligence (AI). Uptake is highest in North, South and West Europe and East and South Asia.

  User experience is a key priority, with three-quarters of administrations, including all those in Central and West Asia and Central and East Europe, actively measure taxpayer experience to inform future service improvements.
- **Data-driven administration**: Around 60% of administrations receive data directly from taxpayer's business systems, beyond pay-as-you-earn information, while an even greater number receive data from third parties. Adoption is strongest in Central and West Asia and Europe.

An increasing proportion of this information is exchanged through automated machine-to-machine processes, reducing manual reporting requirements and improving data quality.

- **Pre-filled tax returns**: Many administrations now offer fully pre-filled personal income tax returns for parts of the taxpayer population, with North, South and West Europe showing the highest levels of maturity.

  Progress is also being made as regards the pre-filling of value added tax and corporate income tax returns, supported by technologies such as e-invoicing, although full pre-filled business tax returns remain less common. Simpler tax rules can further support the expansion of pre-filled returns. Latin America and the Caribbean demonstrates the highest level of adoption for pre-filled business tax returns.

- **Collect once, use many times**: More than 80% of administrations exchange bulk information with other government agencies, and over half of the economies operate common cross-government databases. This approach is particularly prevalent in Europe and Latin America and the Caribbean.

  As a result, reporting burdens can be reduced and interactions with both tax administrations and other government services can become more seamless for citizens and businesses.

- **The growing importance of artificial intelligence**: Nearly half of administrations, particularly in Central and West Asia and Europe, use AI to strengthen compliance and improve taxpayer services. The most common applications include fraud detecting and risk assessment.

  Most administrations report having implemented limitations, governance arrangements, and ethical safeguards to support the responsible use of AI.

- **Skills and organisational change**: While many administrations, particularly in Africa and Asia, are beginning to identify the skills needed to support digital transformation, comprehensive workforce planning remains limited.

  Efforts to build digital capabilities frequently rely on external expertise, partnerships, and collaboration across government.

- **Strategic governance and delivery**: Approximately three-quarters of administrations have a digital transformation strategy, typically spanning multiple years and aligned with broader government priorities. Adoption rates are highest in Africa, Central and West Asia, Latin America and the Caribbean, and North, South and West Europe.

  More than 70% of administrations support digital transformation through senior governance structures, while around two-thirds have strengthened delivery arrangements through dedicated digital leadership roles.

Overall, the data suggests that tax administrations are making significant progress in their digital transformation journeys. As the digital transformation continues to reshape economies and public services, future updates to the ITTI database will provide valuable insights into the pace, direction, and consistency of transformation across tax administrations worldwide.

References

OECD (2020), *Tax Administration 3.0: The Digital Transformation of Tax Administration*, OECD Publishing, Paris, https://doi.org/10.1787/ca274cc5-en. [2]

OECD et al. (2025), *Inventory of Tax Technology Initiatives*, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026). [1]

Note

[1] The survey can be accessed here: https://www.oecd.org/content/dam/oecd/en/topics/policy-issue-focus/inventory-of-tax-technology-initiatives/global-survey-digitalisation-2024-en.pdf (accessed on 17 June 2026).

1 Towards Tax Administration 3.0

This chapter provides an overview of the content of the report.

Over recent years, digital transformation has become a central pillar of tax administration. Increasingly, administrations are directing significant resources toward redesigning their processes to operate in a more digitally enabled environment. As economies and societies continue to digitalise, it is critical that tax administrations evolve in parallel. The rapid expansion of digital technologies and services has fundamentally altered how individuals and businesses interact and transact. In response, tax administrations are reconfiguring their operating models to better leverage these developments, including the expanding interconnections between systems and platforms that now underpin economic activity.

The Tax Administration 3.0 vision, as set out in the OECD's 2020 flagship publication *Tax Administration 3.0: The Digital Transformation of Tax Administration* (OECD, 2020[1]), places the taxpayer at the centre of this transformation. It envisages a future in which taxation processes are increasingly seamless and impose minimal burden. A key enabler of this shift is the growing integration of the "natural systems" used by citizens, businesses and public authorities. As these systems become more interconnected, it becomes increasingly viable to embed tax processes directly within them. This creates new opportunities to lower burdens and simplify compliance by reducing the need for separate recording, reporting and calculation processes.

At the same time, technological innovation continues to accelerate, with artificial intelligence (AI) standing out as a particularly transformative development. Tax administrations are making expanded use of AI to strengthen performance across a wide range of functions, from enhancing taxpayer services to improving risk assessment and detecting non-compliance. While the potential benefits are significant, the deployment of AI also raises important considerations. Ensuring robust governance, maintaining data protection standards and safeguarding public trust will be essential as adoption progresses.

Ultimately, the success of digital transformation depends not only on technology but also on people. The workforce of tax administrations is undergoing a parallel transition, with increasing demand for skills in digital literacy, data analytics, emerging technologies and cybersecurity. Alongside technical expertise, capabilities in project delivery and organisational change are becoming ever more important to support the implementation of complex reforms. Building and sustaining this diverse skillset will be key to enabling tax administrations to fully realise the opportunities of digital transformation.

By analysing the data from the 108 economies that are included in the Inventory of Tax Technology Initiatives (OECD et al., 2025[2]), this report aims to illustrate the progress made by tax administrations globally in implementing digital solutions and digital transformation reforms. In addition to providing a global overview, the report adopts a regional perspective that helps illuminate how digitalisation and transformation trends are evolving across different regions. This perspective highlights both common patterns and regional differences and may assist administrations in identifying relevant approaches and innovations, including those emerging beyond their traditional peer groups and partner economies.

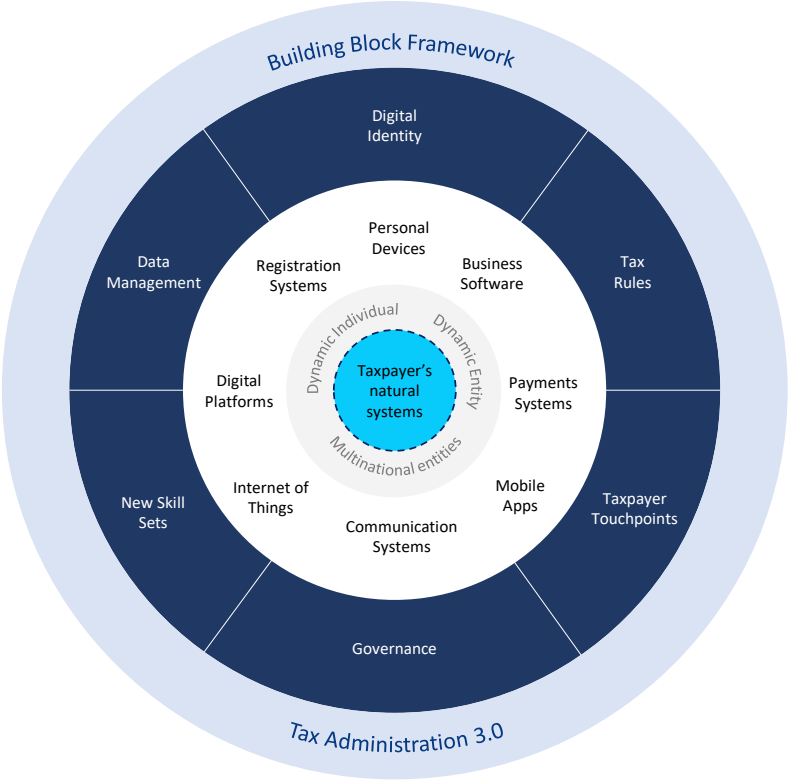
The analysis presented in this report is considered within the context of the six Tax Administration 3.0 building blocks as described in the 2020 vision and illustrated in Figure 1.1.:

- **Digital identity**: As tax administrations increasingly deliver their services online, digital identity has become a foundational element of their operations. Secure and reliable digital identities are essential to enabling fully automated, machine-to-machine interactions. ***Chapter 2*** explores the range of digital identity services provided by tax administrations, including their uptake and key features. It also reviews authentication methods and authorisation processes.
- **Taxpayer touchpoints**: Interactions between taxpayers and tax administrations have expanded significantly, driven in part by the growth of online services and greater collaboration across government and with third parties. These interactions are facilitated through a variety of taxpayer touchpoints, which are examined in detail in ***Chapter 3***.
- **Data management**: Data plays a central role in the effective functioning of modern tax administrations, and digitalisation is enabling the collection and use of ever larger volumes of

information. ***Chapter 4*** outlines key considerations in data management, including data governance, evolving approaches to data collection, data sharing practices, and the increasing use of analytics.

- **Tax rules**: ***Chapter 5*** reviews recent developments and innovations in the management of tax rules. It presents information on areas such as assurance frameworks, automated registration and deregistration processes, and third-party withholding. The chapter also highlights the expanding role of AI, along with considerations for its responsible and effective deployment.
- **New skill sets**: Digital transformation places significant demands on workforce capabilities. Attracting new talent and upskilling existing staff are therefore critical. ***Chapter 6*** considers how tax administrations are identifying and mapping required skills, as well as fostering a culture that supports digital ways of working.
- **Governance**: ***Chapter 7*** examines the importance of governance frameworks in guiding digital transformation efforts, and how a clear and coherent digital transformation strategy can help administrations define objectives, set priorities and track progress over time.

Figure 1.1. The Tax Administration 3.0 building block framework



Source: OECD (2020), Tax Administration 3.0: The Digital Transformation of Tax Administration, https://doi.org/10.1787/ca274cc5-en.

Finally, *Digitalisation and Digital Transformation in Tax Administration: Regional Trends and Insights* includes around fifty examples provided by tax administrations that help bring to life some of the information and illustrate the strategic direction of travel of tax administrations globally.

References

OECD (2020), *Tax Administration 3.0: The Digital Transformation of Tax Administration*, OECD Publishing, Paris, https://doi.org/10.1787/ca274cc5-en. [1]

OECD et al. (2025), *Inventory of Tax Technology Initiatives*, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026). [2]

2 Digital identity

This chapter examines how digital identities are being adopted and used within tax administrations across economies. It presents data on coverage and uptake, authentication methods, and authorisation processes put in place by tax administrations, with the data analysed on a regional basis. It also highlights the use of innovative technologies by tax administrations with respect to digital identity.

Digital identity usage

As interactions between tax administrations, citizens, and businesses increasingly move online, secure and reliable identification has become vital to modern tax administration. Digital identities (DIs)[1] provide assurance that individuals and entities are who they claim to be, enabling authenticated access to services, legally robust attribution of actions, and auditability across end-to-end digital processes. In doing so, DIs help tax administrations improve service quality, reduce administrative burden, and enhance compliance by making it easier to do the right thing and harder to do not.

Well-designed digital identity ecosystems do more than unlock online portals. They enable frictionless access to a growing suite of digital services, such as prefilled returns, real time reporting, and case status tracking, while supporting secure information matching across datasets and institutions. They also facilitate the delegation of rights and representation, an essential function for intermediaries and businesses. Increasingly, DIs serve as an enabling layer for machine-to-machine interactions, including Application Programming Interface (API) based data exchanges and automated filings, where secure credentials allow systems to transact with high assurance and clear attribution.

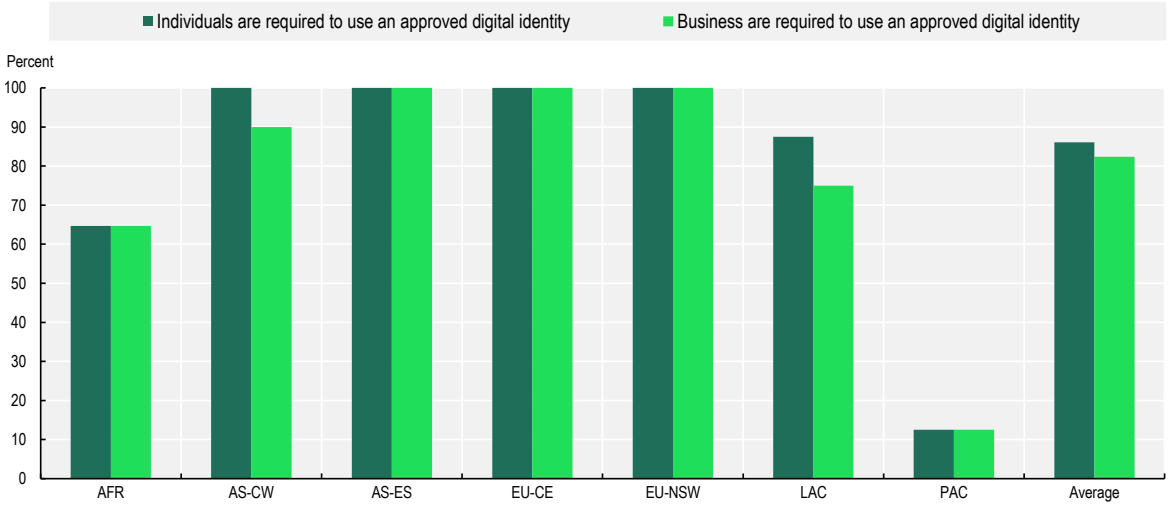
For tax administrations, the strategic value of DIs lies not only in their role as a security mechanism but also as a platform capability for digital transformation. By helping to simplify user journeys, reduce manual verification tasks, and foster trust in digital channels, DIs contribute to more efficient operations and improved compliance outcomes. They can also support wider government objectives, including interoperability across public services.

As adoption grows, data from tax administrations shows considerable variation in the digital identity systems across economies. Levels of uptake, integration with tax services, and the breadth of available functionalities differ, reflecting divergent policy choices, technological infrastructures, and institutional settings. These differences shape not only the experience of taxpayers and intermediaries but also the operational benefits that administrations can realise.

The use of DIs as a means of accessing secure tax administration services has become a core feature of digital service delivery in many economies. Figure 2.1. indicates that the requirement to use an approved DI to access secure digital services offered by the administration is widespread across most regions, for both individuals and businesses. In Asia and Europe, this requirement applies in nearly all economies, whereas it is less widespread in Africa and Latin America and the Caribbean. In the Pacific Islands, uptake remains limited, at 13% (reflecting one of the eight participating Pacific Islands economies that reported a DI requirement is in place).

Figure 2.1. Requirement to use a digital identity to access secure tax administration services, 2025

Percentage of administrations with the respective process in place for individuals and businesses by region



Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

StatLink https://stat.link/yroa7i

Across all economies covered by the *Inventory of Tax Technology Initiatives* (ITTI) (OECD et al., 2025[1]), an average of 86% of administrations require individuals to use an approved DI to access secure digital services (Table 2.1.), while 82% require businesses to do so (Table 2.2.).

Table 2.1. for individuals and Table 2.2. for businesses further indicate that, while tax administrations remain the primary providers of DIs, other government bodies and private sector providers also play a significant role, particularly in Central and East Europe. Where multiple providers coexist, DIs are often interoperable. On average, DIs used by individuals can be provided by another government body in 58% of economies and by private sector entities in 25%. For businesses, these figures are 46% and 25%, respectively.

In some economies, DIs provided by tax administrations are used to access services beyond tax, including services offered by other government bodies and private sector entities. In 47% of economies, individuals can use the DI issued by the tax administration to access services provided by other government bodies, while in 21% of economies it can be used to access private sector services. Similar patterns are observed for businesses, with 49% of economies allowing tax administration issued DIs to be used to access other government services and 19% allowing access to private sector services.

Table 2.1. Use, provision and interoperability of digital identities for individuals, 2025

Percentage of administrations with the respective process in place by region

Region	Individuals are required to use an approved DI to access secure digital services offered by the administration	If yes, …					
		DI used to access the services can be provided by *(multiple answers possible)*			DIs are interoperable *(if several bodies can provide a DI)*	DI offered by the tax administration can also be used to access services from…	
		Tax administration	Another government body	Private sector body		Another government body	Private sector body
AFR	65	100	9	0	100	36	36
AS-CW	100	90	80	0	67	44	11
AS-ES	100	75	45	25	50	27	7
EU-CE	100	64	86	64	80	56	11
EU-NSW	100	63	79	26	77	75	33
LAC	88	86	43	14	80	58	33
PAC	13	100	0	0	0	0	0
Average	**86**	**77**	**58**	**25**	**68**	**47**	**21**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Table 2.2. Use, provision and interoperability of digital identities for businesses, 2025

Percentage of administrations with the respective process in place by region

Region	Businesses are required to use an approved DI to access secure digital services offered by the administration	If yes, …					
		DI used to access the services can be provided by *(multiple answers possible)*			DIs are interoperable *(if several bodies can provide a DI)*	DI offered by the tax administration can also be used to access services from…	
		Tax administration	Another government body	Private sector body		Another government body	Private sector body
AFR	65	100	9	0	100	36	27
AS-CW	90	100	67	11	80	44	11
AS-ES	100	75	40	15	45	20	7
EU-CE	100	57	86	64	89	63	13
EU-NSW	100	68	47	32	71	85	23
LAC	75	92	33	17	100	64	36
PAC	13	100	0	0	0	0	0
Average	**82**	**79**	**46**	**25**	**75**	**49**	**19**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Box 2.1. Examples – Digital identity implementation

Brazil – National Identity Card Project

Brazil has advanced the implementation of a National Identity Card (CIN), a new identification document available in physical and digital formats which aims to provide secure self-identification for its citizens and allows the link up of public services, including on taxation. This has centralised Brazil's civil identification system, where previously identification cards were issued at the state level and more susceptible to fraud and other illegal activities. As of January 2024, around 3 million CINs have been issued.

The project has relied heavily on input from the Federal Revenue Office (RFB), with each card using the Individual Taxpayer Registry number as its identifying number. Once a physical CIN is issued, the holder can also obtain a digital version through the government's online portal, which has a single login authentication for all government websites and applications, facilitating citizen access to public services. The CIN comes with a QR Code that can be read easily and quickly, which provides more security for citizens. It makes it possible to identify the authenticity of the card, and to know if it was stolen or lost. The card also allows an easier identification process for people with special needs.

China (People's Republic of) – Digital identity supporting smart taxation

The State Taxation Administration (STA) is building a national network to provide a secure and consistent digital identity, laying a solid foundation for smart taxation. Based on legal identity and a national authoritative authentication source, the digital identity connects legal persons and natural persons handling tax related business on behalf of enterprises. This is done through confirmation by both parties, and covers all taxpayers, and supports accurate services and management of taxpayers.

Over 80% of taxpayers use an approved digital identity to access secure digital services offered by STA including comprehensive information reporting, tax declaration and payment, certificate issuance, tax refunds, tax administrative licenses and other tax issues. Taxpayers are also allowed to authorise third parties to represent businesses and access secure digital services.

With the digital identity, the scope to save costs is increased as taxpayers only need to register in one place. This can then be recognised in other places, and the digital identity can also connect identities via across devices, and applications. It also provides the ability to allow taxpayers to choose a variety of authentication and login approaches, such as Short Message Service (SMS), ID card, digital certificate, and face recognition.

With the continuous development of the national network of digital identity, it will further provide unified and authoritative identity services for all taxpayers and tax officials to facilitate smooth progress of the digital transformation of China's tax collection and administration.

Italy – Whole of government digital identity

In 2016, the Italian Revenue Agency has introduced the possibility for taxpayers to access the pre-filled income tax return using the Public Digital Identity System (SPID). In 2018, access via SPID was extended to all services provided in the "reserved area" of the Revenue Agency. From 2021, in addition to SPID, taxpayers may also use Electronic Identity Card (CIE). This means that, all citizens, including those authorized to operate on behalf of legal persons, can now access the "reserved area" through SPID and CIE credentials.

This means for example that SPID allows the registration of leasing contracts, the consultation of electronic invoices, the submission of pre-filled income tax returns, as well as the submission of documentation necessary to solve irregularities notified to taxpayers.

Sources: OECD (2022), Tax Administration 2022: Comparative Information on OECD and other Advanced and Emerging Economies, https://doi.org/10.1787/1e797131-en, and OECD (2024), Tax Administration 2024: Comparative Information on OECD and other Advanced and Emerging Economies, https://doi.org/10.1787/2d5fba9c-en.

In most economies, accessing tax administration services through an approved DI has become the norm for both individuals and businesses. As shown in Table 2.3. and Table 2.4., 60% of administrations indicate that between 81% and 100% of individual taxpayers use a DI to access secure digital services offered by the tax administration. Adoption rates are higher for businesses, where 80% of administrations report that usage by businesses is between 81% and 100%.

From a regional perspective, on average, economies in Central and West Asia display the highest levels of adoption, with economies in Central and East Europe and Latin America and the Caribbean also being very strong among business taxpayers. (Note that this does not comment on the Pacific Islands as only one of the participating economies from this region reported a DI requirement to access secure services.)

Table 2.3. Estimated percentage of the individual taxpayer population that uses a digital identity to access secure digital services offered by the administration, 2025

Percentage of administrations with the respective process in place by region

	Estimated percentage of the individual taxpayer population that uses an approved DI to access the services				
Region	0-20 percent	21-40 percent	41-60 percent	61-80 percent	81-100 percent
AFR	27	9	9	9	46
AS-CW	10	0	0	10	80
AS-ES	0	5	20	10	65
EU-CE	7	14	7	14	57
EU-NSW	0	16	0	21	63
LAC	21	0	14	7	57
PAC	0	0	0	0	100
Average	**9**	**10**	**10**	**12**	**60**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Table 2.4. Estimated percentage of the business taxpayer population that uses a digital identity to access secure digital services offered by the administration for businesses, 2025

Percentage of administrations with the respective process in place by region

	Estimated percentage of the business taxpayer population that uses an approved DI to access the services				
Region	0-20 percent	21-40 percent	41-60 percent	61-80 percent	81-100 percent
AFR	18	0	9	9	64
AS-CW	0	0	0	0	100
AS-ES	10	5	10	5	70
EU-CE	0	0	0	7	93
EU-NSW	11	0	0	5	84
LAC	0	8	0	0	92
PAC	0	0	0	0	100
Average	**7**	**3**	**3**	**6**	**81**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

The DI solutions offered by tax administration incorporate a range of features, reflecting different policy choices, institutional arrangements, and levels of digital maturity. As shown in Table 2.5. and Table 2.6., for both individuals and businesses, most administrations rely on existing domestic identity systems rather than developing completely new solutions, and when looking at each region there does not seem to be a significant difference between individuals and businesses except for Central and East Europe. All administrations in this region rely on existing systems for individual digital identities, whereas the approach for businesses is more varied with 55% of administrations building a completely new digital identity system for businesses. On average, 76% of administrations indicate that their DI solutions for individuals are built upon an existing domestic identity framework, while the remaining administrations operate with a completely new system. For businesses this figure is slightly lower at 69%.

Cross-border interoperability remains limited across the different regions, with parts of Europe being an exception, particularly as regards individuals. Slightly over 25% of DI solutions for both individuals and businesses are designed to connect with foreign identity systems. Where DI solutions are designed to connect with foreign systems, implementation remains uneven. Connections are operational in around 54% of administrations, while interoperability in other administrations is limited to theoretical or planned arrangements. Europe and Latin America and the Caribbean are the only regions that report having in place cross-border connections between digital identity systems.

In terms of identity creation, most administrations adopt a request-based approach with 80% requiring individuals and businesses to request the creation of a DI, while only 20% generate DIs automatically.

Table 2.5. Selected features of the digital identity solution for individuals, 2025

Percentage of administrations with the respective process in place by region

Region	Underlying DI solution for is …		Connection with foreign identity systems			DI is created …	
	Built upon an existing domestic identity system	Completely new	DI solution can connect with foreign identity systems	If yes, the connection with foreign identity systems is …			
				Already done in practice	A theoretical possibility	Automatically	On request
AFR	82	18	9	0	100	18	82
AS-CW	80	20	20	0	100	20	80
AS-ES	65	35	5	0	100	20	80
EU-CE	100	0	46	100	0	23	77
EU-NSW	90	11	58	55	46	21	79
LAC	64	36	15	50	50	23	77
PAC	0	100	0	0	0	0	100
Average	**76**	**24**	**26**	**54**	**46**	**20**	**80**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Table 2.6. Selected features of the digital identity solution for businesses, 2025

Percentage of administrations with the respective process in place by region

Region	Underlying DI solution for is …		Connection with foreign identity systems			DI is created …	
	Built upon an existing domestic identity system	Completely new	DI solution can connect with foreign identity systems	If yes, the connection with foreign identity systems is …			
				Already done in practice	A theoretical possibility	Automatically	On request
AFR	73	27	9	0	100	27	73
AS-CW	78	22	22	0	100	22	78
AS-ES	55	45	5	0	100	25	75
EU-CE	46	55	18	50	50	18	82
EU-NSW	84	16	58	55	46	21	79
LAC	50	50	17	50	50	17	83
PAC	0	100	0	0	0	0	100
Average	**69**	**31**	**27**	**54**	**46**	**19**	**81**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Authentication methods

Given the widespread use of DIs to access online services, it is important that robust security mechanisms are in place to mitigate the risk of DI theft.

As shown in Table 2.7., password-based authentication remains the most widely used method, applied by 84% of administrations. Methods such as the use of mobile apps or ID cards are more prevalent in Europe, Latin America and the Caribbean, and Asia, while multi-factor authentication – the second most common approach used by 57% of administrations overall – is used by a significant share of administrations in Africa, Central and West Asia and North, South and West Europe. More advanced biometric authentication methods such as facial recognition, fingerprint scanning, or retina scans remain relatively uncommon overall.

Table 2.7. Digital identity authentication methods, 2025

Percentage of administrations with the respective process in place by region

	Authentication methods used by the tax administration								
Region	Password-based authentication	ID card	Mobile app	Voice recognition	Facial recognition	Retina scan	Finger-print	Multi-factor authentication	Other
AFR	89	0	11	0	0	0	0	78	0
AS-CW	70	40	40	0	20	0	0	70	20
AS-ES	95	20	35	0	20	0	15	30	10
EU-CE	79	71	29	0	0	0	7	50	43
EU-NSW	74	37	63	0	11	5	16	78	16
LAC	86	21	36	0	14	0	14	43	14
PAC	100	0	0	0	0	0	0	0	0
Average	**84**	**31**	**37**	**1**	**13**	**1**	**11**	**57**	**18**

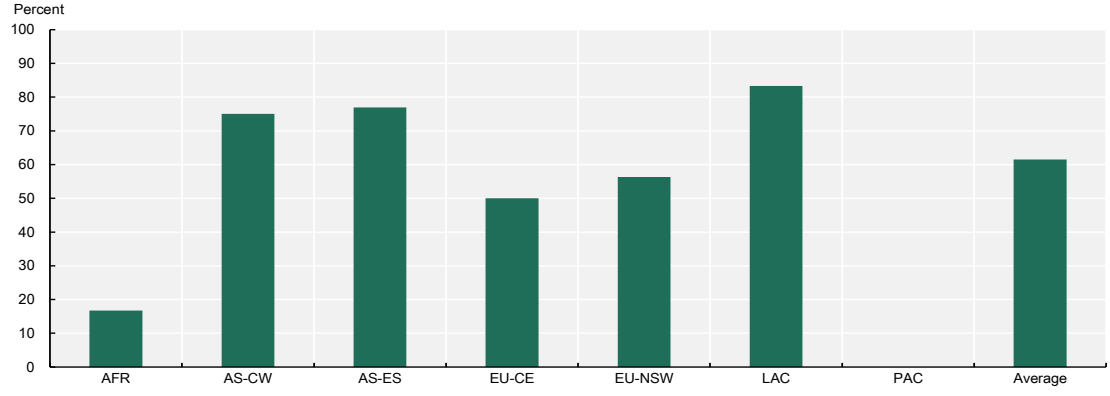
Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands. As regards voice recognition, it should be noted that it is not used as an authentication method by any tax administration within the regional groupings. However, it is observed in one administration in the ITTI dataset that is not part of any regional grouping but included in the overall average. For more information on the regional groupings, please look at the Reader's Guide.

Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html(accessed on 15 June 2026).

It is also worth noting that 61% of all administrations report tailoring authentication requirements based on the level of security needed for different types of interactions, with Latin America and the Caribbean and Asia showing the highest adoption of such approaches (see Figure 2.2.).

Figure 2.2. Use of different authentication methods based on the level of security required for certain types of interactions, 2025

Percent of administrations that have the respective process in place by region



Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.

Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

StatLink https://stat.link/mj6ty5

Box 2.2. Examples – Digital identity verification and user access

Argentina – Dual Factor Authentication

All services and digital apps available in the Argentinian tax administration (ARCA) portal have different security levels and with the use of the mobile app "Token ARCA", ARCA has implemented a dual authentication factor process for those taxpayers carrying out sensitive transactions or who wish to enhance the security of their digital procedures with ARCA.

Taxpayers using this service need to:

- Download the mobile app "Token ARCA" to their mobile phone;
- Go to an ARCA office to show proof of identity and activate the token or go to an ATM to show proof of identity to activate the token; and
- Login to the ARCA web site and then activate the app using the tax login code and the one-time password generated by the "Token ARCA".

Canada – Digital identity validation

The Canada Revenue Agency's (CRA) Digital Identity Validation (DIV) service leverages AI to validate user identities online, providing a seamless method for gaining instant full access to the CRA's online services. It eliminates the need for a user to wait for a physical code to be sent by mail, which typically takes up to 10 business days to arrive, and allows users to self-serve and gain immediate access to online services, enhancing convenience and efficiency.

Since its launch, 60% of users have opted to use DIV over the traditional mail option. This shift has reduced the workload on call centres, decreased paper mail which can be costly, and reduced processing times, allowing staff to focus on other more complex tasks.

In the future, the focus will be on expanding use cases and enhancing the DIV solution to support additional parts of CRA services such as streamlining account recovery processes.

India – e-filing of tax returns

India has made it possible for taxpayers to meet all their compliance requirements digitally through introducing e-Verification, an online system that allows users to confirm their identity and perform tasks online. Users can verify their Income Tax Return (ITR) online, as well as other functions such as submissions, responses and requests related to ITRs. This saves taxpayers from having to physically submit their returns and having to physically go to an office to identify themselves. The identity verification process is also much quicker because it is automated.

The user can use any one of the following modes to verify their identity:

- Digital Signature Certificate using Hard Token.
- One-Time Password (OTP) issued by the Unique Identification Authority of India, shared via text message.
- Electronic Verification Code using a verification service enabled by the taxpayer's bank or a Bank ATM (offline method).

Since the introduction of e-Verification, compliance levels have significantly increased, from 13% in 2014-15 to 93% in 2022-23. The average processing time of ITR has reduced from 84 days in 2019-20 to 10 days in 2023-24.

Sources: OECD (2023), Tax Administration 2023: Comparative Information on OECD and other Advanced and Emerging Economies, https://doi.org/10.1787/900b6382-en, OECD (2024), Tax Administration 2024: Comparative Information on OECD and other Advanced and Emerging Economies, https://doi.org/10.1787/2d5fba9c-en, and OECD (2025), Tax Administration 2025: Comparative Information on OECD and other Advanced and Emerging Economies, https://doi.org/10.1787/cc015ce8-en.

Traditionally, many taxpayers rely on third parties such as tax advisers, accountants, or other intermediaries to manage their tax affairs. Reflecting this longstanding practice, nearly 80% of tax administrations have put in place processes that allow taxpayers to authorise third parties to access secure digital services on their behalf (Table 2.8.). While such authorisation frameworks are widespread, their adoption varies slightly across regions.

Among administrations that allow third-party authorisation, access is most commonly assigned to a named individual, with 90% of administrations reporting this capability. In contrast, the ability to assign authorisation to an entity is less widespread and reported by 66% of administrations.

Authorised third parties are permitted to represent individual taxpayers in 90% of economies, with universal coverage in some regions. Similarly, the ability for third parties to represent entities is available in 93% of economies.

Table 2.8. Authorisation for accessing secure digital services offered by the tax administration, 2025

Percentage of administrations with the respective process in place by region

Region	Taxpayers can authorise third parties to access secure digital services	If yes, …			
		Authorisation can be assigned to …		Authorised third party can represent …	
		A named individual	An entity	An individual	An entity
AFR	82	89	78	67	100
AS-CW	60	100	83	100	83
AS-ES	60	83	84	100	100
EU-CE	86	100	41	92	92
EU-NSW	60	100	83	100	83
LAC	86	100	17	92	83
PAC	100	100	100	100	100
Average	**79**	**90**	**66**	**90**	**93**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Innovations

In response to security and privacy considerations related to DI use, tax administrations are beginning to explore innovative technological approaches. As shown in Table 2.9., the overall uptake of such technologies remains limited, suggesting that experimentation is still at an early stage.

On average, just over 10% of administrations report using self-sovereign identity approaches, which are designed to give individuals greater control over their DIs. Similarly, DI wallet solutions which allow identity data and official documents to be stored and managed digitally are used by nearly 15% of administrations. The use of AI as part of DI systems remains particularly limited, reported by only around 5% of administrations. Economies from Central and West Asia lead adoption across all three technologies with respect to digital identity.

Finally, the use of blockchain-based solutions is reported by only one administration from the Latin America and the Caribbean region. No administrations in other regions report having deployed blockchain-based solutions for DI purposes.

Table 2.9. Use of innovative technologies or solutions with respect to digital identity, 2025

Percentage of administrations with the respective process in place by region

Region	Type of technology or solution used			
	Blockchain	Self-sovereign identity	Digital identity wallet solution	Artificial intelligence
AFR	0	0	9	0
AS-CW	0	30	30	10
AS-ES	0	20	20	0
EU-CE	0	14	7	7
EU-NSW	0	0	5	0
LAC	7	7	29	7
PAC	0	0	0	0
Average	**1**	**12**	**15**	**4**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Additional information on the use of DI within tax administration, such as on the different domestic solutions adopted as well as the challenges related to cross-border processes, can be found in the OECD report *Tax Administration 3.0 and the Digital Identification of Taxpayers: Initial Findings* (OECD, 2022[2]).

References

OECD (2022), *Tax Administration 3.0 and the Digital Identification of Taxpayers: Initial Findings*, OECD Publishing, Paris, https://doi.org/10.1787/3ab1789a-en. [2]

OECD et al. (2025), *Inventory of Tax Technology Initiatives*, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026). [1]

Note

[1] For the purpose of the survey underlying the Inventory of Tax Technology Initiatives (OECD et al., 2025[1]), digital identity is considered to be an electronic representation of an individual or business which enables them to be sufficiently distinguished when interacting online. The digital identity includes attributes which are bound to a credential that is used to authenticate the individual or business.

3 Taxpayer touchpoints

This chapter considers recent developments in the design and use of taxpayer touchpoints by tax administrations. It examines the availability of online services and digital channels, as well as the growing use of technology to enhance taxpayer interactions, including through the application of artificial intelligence. It further explores the progress made in embedding touchpoints into the natural systems used by taxpayers, for example, through the use of application programming interfaces, enabling interactions to take place in the background of taxpayers' day-to-day activities.

The importance of taxpayer touchpoints

Taxpayer touchpoints are the interfaces through which taxpayers engage with the tax administration. They are fundamental to the effective and efficient operation of any tax system. They play a critical role in enabling compliance, supporting service delivery, and resolving instances of friction as they arise throughout the taxpayer journey.

As tax administrations pursue the vision of Tax Administration 3.0 (OECD, 2020[1]), a key objective is to reduce unnecessary friction and move towards a more seamless and integrated tax system. Where such friction can be eliminated, processes are increasingly automated and embedded within end-to-end digital workflows. However, recognising that not all sources of friction can be removed, taxpayer touchpoints will remain an essential element of tax administration.

In this context, administrations are increasingly focused on providing real-time and near real-time services, including automated and assisted responses to taxpayer enquiries, while also seeking to shift interactions closer to taxpayers' natural systems and business processes.

Online services

Recent years have seen growing demand for digital service channels, alongside increased expectations for more timely and personalised services. In response, tax administrations have expanded and enhanced their digital service offerings across a range of interaction points. For taxpayers, this shift supports greater self-service, enables access to services on a continuous basis, and reduces waiting times for assistance. From the perspective of tax administrations, the expansion of digital channels facilitates greater automation of routine interactions, helping to lower administrative costs, improve operational efficiency, and allow resources to be redeployed to more complex or higher value activities.

Services offering

A central component of supporting taxpayer compliance is the supply of a wide range of effective and user-friendly services for taxpayers. Table 3.1. provides an overview of selected online services offered by tax administrations for the main three tax types: personal income tax (PIT), corporate income tax (CIT) and value added tax (VAT).

It shows that across tax types, online services are well developed, with high levels of digitalisation observed for PIT, CIT and VAT for many core processes. Registration, filing and payment services, in particular, show strong and widespread adoption for all three tax types:

- Filing tax returns average above 90% globally across all three tax types, followed by making tax payments online with averages above 85%.
- Registration services follow closely, averaging above 80%, while more complex transactional services such as requesting deadline extensions and payment arrangements lag significantly behind, averaging over 40% and 55% respectively.

Information on additional interaction types, including filing tax-related objections and managing correspondence can be found in the ITTI (OECD et al., 2025[2]) database.

From a regional perspective, Asia, Europe and Latin America and the Caribbean generally report the most consistently high availability of online services across all three tax types. Other regions display a more diverse adoption profile, reflecting different stages of digital transformation and administrative modernisation, yet each region shows clear areas of progress and ongoing development.

Table 3.1. Online services offered by tax administrations by tax type, 2025

Percentage of administrations with the respective process in place by region

	Interaction type														
	Registering for tax			Filing tax returns			Making tax payments			Requesting extensions of deadlines			Asking for tax payment arrangements		
Region	PIT	CIT	VAT	PIT	CIT	VAT	PIT	CIT	VAT	PIT	CIT	VAT	PIT	CIT	VAT
AFR	77	77	77	88	88	88	77	77	77	18	12	18	29	35	35
AS-CW	100	90	80	100	100	100	100	100	100	50	50	40	63	70	70
AS-ES	83	85	94	94	100	100	94	100	100	39	45	47	50	50	60
EU-CE	79	86	86	100	93	100	86	93	93	64	71	57	86	86	86
EU-NSW	83	84	94	100	100	100	89	89	89	67	58	50	61	42	50
LAC	93	80	87	100	100	100	93	93	93	50	47	47	69	67	60
PAC	43	33	33	43	50	50	57	50	50	29	33	33	29	33	33
Average	**82**	**81**	**84**	**93**	**94**	**95**	**87**	**90**	**89**	**47**	**46**	**43**	**58**	**56**	**58**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Box 3.1. Examples – Accelerating digitalisation of taxpayer services

Kyrgyzstan – Transition to online taxpayer registration

The State Tax Service of Kyrgyzstan is consistently transitioning to a digital format of taxpayer services, with a strong focus on convenience, transparency, and accessibility of public services. The Taxpayer Cabinet has become the key interaction tool between taxpayers and tax authorities, a modern online platform that enables access to most services remotely, without the need to visit tax offices in person.

In 2024, Kyrgyzstan fully transferred the core taxpayer registration process to an online format, enabling electronic registration of taxpayers through the Taxpayer Cabinet. To support the implementation of this system, the State Tax Service issued an official guideline for individuals and entrepreneurs on submitting registration applications electronically via the platform.

This initiative is aimed at improving the quality and efficiency of tax administration service delivery. The Taxpayer Cabinet, integrated into the national e-government ecosystem, allows users to authenticate, complete registration forms, and submit information digitally, replacing a process that previously required in-person visits. As a result, the registration procedure has been simplified and barriers to entry into the tax system have been significantly reduced.

Online registration has expanded access to tax services for new businesses and individual entrepreneurs, particularly in regions outside major urban centres, while also improving the consistency and timeliness of registration data. This shift reflects a broader transition toward digital self-service channels for high-volume administrative processes.

The digital service model reduces administrative burdens on businesses and citizens, minimises human factor risks, and delivers significant time savings. The transition to electronic services represents an important step in developing a service-oriented tax administration and in building a modern, taxpayer-centric public governance system.

Malta – Workflow automated systems

The Malta Tax and Customs Administration's (MTCA's) drive to modernise and streamline internal and citizen-facing services created the need for a unified, automated approach to managing high-volume administrative processes.

In response, MTCA adopted a third-party IT platform to introduce structured digital workflows that replace fragmented, manual, and paper-based procedures across departments. By enabling controlled routing, digital submission, and consistent processing logic, the new platform strengthened governance, reduced reliance on manual handling, and improved traceability.

This transition also supported wider transformation efforts (such as the broader digitisation of Customs and taxpayer-related forms and processes), by establishing a scalable foundation for future automation.

As a result, MTCA now operates a more transparent, efficient, and resilient process environment that supports faster decision-making and provides a stronger baseline for upcoming digital initiatives.

Tajikistan – The "Andozi man" mobile application

In 2025, with the aim of consolidating all electronic services for individuals into a single platform, the Tax Committee of Tajikistan fully relaunched the "Andozi man" mobile application in an upgraded format. To date, more than 298 000 individuals are actively using the application, and over 37 000 individuals have been registered as individual entrepreneurs in real time without visiting tax authorities.

Through the "Andozi man" mobile application, individuals can access a wide range of services, including state registration of business entities, termination of activities of individual entrepreneurs, amendments and updates to the Unified State Register, obtaining a taxpayer identification number, as well as other services provided by the tax authorities.

In addition, in order to improve the level and quality of services provided to taxpayers and citizens and to ensure effective interagency data exchange, the Tax Committee has integrated the Tax Information System with the Unified Portal of Public Services. Within this portal, a dedicated section titled "Taxation and Registration" has been established.

Through the Unified Portal of Public Services, citizens and taxpayers can now access electronic tax services, including obtaining an extract from the Unified State Register of Legal Entities and Individual Entrepreneurs, certificates confirming the absence of tax arrears, verification of the taxpayer identification number, and state registration of individual entrepreneurs.

Zambia – Transforming taxpayer engagement through digital touchpoints

The Zambia Revenue Authority (ZRA) has made major strides in modernising taxpayer engagement through the digitalisation of its key touchpoints under its Digital Transformation Roadmap (2022–2026). The initiative aims to deliver a seamless, taxpayer-centred experience founded on accessibility, efficiency, and transparency. Previously, taxpayer interactions were largely manual, fragmented, and slow, undermining service quality and compliance. To address this, ZRA implemented a broad digital reform agenda encompassing online registration, return filing, electronic payments, e-invoicing, and integrated customer service systems.

Using a phased approach, ZRA introduced online Taxpayer Identification Number (TPIN) registration, allowing users to register remotely. Return filing was fully digitalized, with over 2.4 million returns submitted electronically in 2024 via ZRA platforms such as TaxOnline, TaxOnApp, and TaxOnPhone. Nearly all tax payments (99.8%) are now made electronically through the Integrated Payment System, which synchronises customs and domestic tax payments and supports 24/7 access. Other innovations include QR codes for document verification, online tax clearance certificates, and mobile offices for underserved areas.

A major innovation, Smart Invoice, enables real-time transmission of invoice and stock data to ZRA, strengthening transparency and compliance. Complementing this, a multichannel contact centre, chatbot, and Customer Relationship Management System facilitate continuous taxpayer engagement and complaint tracking.

The results have been substantial: service efficiency (93.9%), taxpayer satisfaction (74.2%), and operational efficiency (98.3%) all improved markedly. However, challenges persist in ICT infrastructure, system integration, and digital literacy.

Looking ahead, ZRA plans to adopt AI-driven predictive taxpayer support, a single taxpayer account view, enhanced inter-agency data-sharing, and expanded digital literacy programmes. Overall, ZRA's digital transformation has created an inclusive, trust-based tax ecosystem that enhances voluntary compliance and strengthens Zambia's approach to modern, citizen-centric tax administration.

Sources: Information provided by Kyrgyzstan (2026), Malta (2026), Tajikistan (2026) and Zambia (2026).

As the range of online services offered by tax administrations expands, administrations are increasingly recognising opportunities to collaborate with other government bodies to deliver a more integrated, whole-of-government user experience. Table 3.2. shows that in around half of the economies registration and payment services are integrated into wider government online service platforms, with Asia and Europe being most advanced in this.

Table 3.2. Tax related services as part of a wider government service approach by tax type, 2025

Percentage of administrations with the respective process in place by region

	Registration for tax is part of a wider government online registration approach			Making tax payments is part of a wider government online payment portal		
Region	PIT	CIT	VAT	PIT	CIT	VAT
AFR	35	41	35	47	47	47
AS-CW	50	50	60	75	70	80
AS-ES	61	70	60	61	66	60
EU-CE	64	71	57	50	50	50
EU-NSW	56	79	61	39	32	39
LAC	38	47	33	50	47	47
PAC	0	0	0	14	0	0
Average	**47**	**58**	**47**	**48**	**48**	**49**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Box 3.2. Kenya – Integration with e-government platform

The Kenya Revenue Authority (KRA) has integrated key taxpayer services into the national eCitizen platform to improve accessibility and streamline service delivery. Through this integration, citizens can access over ten core KRA services, including PIN (Personal Identification Number) registration, PIN reprints, deregistration applications, Tax Compliance Certificate (TCC) applications and renewals, nil return filing, selected income tax filings, and payment registration number (PRN) generation.

This eliminates the need for taxpayers to navigate multiple standalone systems for basic compliance services. The interoperability between eCitizen and iTax enables secure identity verification, synchronised taxpayer records, and real-time data exchange across government platforms.

By embedding KRA services within a broader government digital ecosystem, the platform reduces duplication of processes and enhances convenience through a single access point. The initiative supports digital identity validation, improves service turnaround times, and increases transparency in public service delivery. It also strengthens data consistency across agencies while promoting paperless transactions and digital payments.

Overall, the integration demonstrates how platform-based government ecosystems can enhance taxpayer experience, expand service reach, and reinforce compliance and governance

Source: Information provided by Kenya (2026).

To increase efficiency and reduce administrative costs, many tax administrations are also increasingly automating their online services. As Table 3.3. demonstrates, there are a range of online services for which tax administrations are now fully automating responses (when pre-determined criteria are met). In this context, automation refers to the extent to which interactions between taxpayers and the tax administration are processed without manual intervention, with outcomes generated and communicated automatically through digital systems. The Central and West Asian region demonstrates some of the highest automation rates, particularly for filing and payment processes.

Table 3.3. Online services with automated responses by tax type, 2025

Percentage of administrations that provide automated responses (when pre-determined criteria are met) without human intervention

	Registering for tax			Filing tax returns			Making payments			Requesting extensions of deadlines			Asking for tax payment arrangements		
Region	PIT	CIT	VAT	PIT	CIT	VAT	PIT	CIT	VAT	PIT	CIT	VAT	PIT	CIT	VAT
AFR	59	65	59	65	65	71	65	65	65	12	12	18	12	24	24
AS-CW	63	50	60	88	80	90	75	80	80	13	10	10	38	40	30
AS-ES	44	45	33	39	40	27	67	75	74	11	15	7	28	20	20
EU-CE	43	50	21	79	65	86	36	43	43	14	7	7	36	36	29
EU-NSW	67	68	67	78	63	72	33	37	39	28	32	28	50	32	39
LAC	56	60	60	63	60	60	63	60	53	19	13	13	38	33	33
PAC	14	0	0	29	17	17	14	17	17	0	0	0	0	0	0
Average	**53**	**55**	**49**	**64**	**58**	**64**	**51**	**56**	**55**	**17**	**15**	**14**	**32**	**30**	**29**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands

Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Box 3.3. Examples – Supporting voluntary compliance through taxpayer portals

Eswatini – Enhancing taxpayer and trader touch points for improved compliance

The Eswatini Revenue Service (ERS) has introduced a comprehensive taxpayer touchpoint strategy aimed at improving voluntary compliance through enhanced accessibility and convenience. Central to this initiative is the adoption of a service-first approach, shifting from enforcement-driven methods to user-friendly engagement. Recognising diverse digital readiness among taxpayers, ERS employs a multi-channel model combining technology-driven and client-focused touchpoints.

Key innovations include the TaxEase Self-Service Portal, launched in March 2024, which simplifies tax filing, registration, and account management. TaxEase offers personalised dashboards, automated reminders, and secure online profiles, reducing errors and improving confidence. Optimised for both desktop and mobile, it encourages migration from assisted services to digital self-service.

Complementing this is the TaxPal mobile app (introduced in May 2025), providing easy access to tax guidance, VAT verification, and electronic Tax Clearance Certificates – essential for transactions like loans and property purchases. ERS also leverages a popular messaging app support for real-time assistance, minimising in-person visits and lowering access barriers.

Further enhancements include an automated contact centre and IVR campaigns, ensuring timely reminders and efficient query resolution. These digital tools are supported by taxpayer education campaigns and strategic partnerships, such as with Eswatini Post and Telecommunications Company, expanding payment access nationwide.

Overall, these initiatives make compliance simpler, faster, and more inclusive, fostering trust and reducing administrative burdens. By prioritising convenience and transparency, ERS strengthens voluntary compliance and aligns with global best practices in tax administration.

Fiji – Taxpayer online service: Enhancing digital tax administration and taxpayer experience

The Fiji Taxpayer Online Service (TPOS) is a self-service platform that has transformed the Fijian tax administration with the aim to modernise the tax administration, enhance taxpayer experiences and provide more efficient services to the taxpayers of Fiji. As part of the Fiji Revenue and Customs Service's (FRCS's) wider digital transformation agenda, TPOS directly advances the objectives of ease of doing business, self-assessment environments to achieve efficiency and voluntary compliance, ensuring it is positioned not as a standalone system but as a cornerstone of modern tax administration in Fiji.

TPOS provides a centralised online platform for managing tax obligations. Users can register as individual or business taxpayers, link multiple tax types under one account and maintain their taxpayer profile by updating contact details, business information and bank accounts. The portal supports electronic communication with FRCS, allowing notices, reminders and correspondence to be issued digitally, improving record-keeping and response times.

TPOS lets taxpayers and agents file tax returns online (income tax, VAT, PAYE, and other statutory declarations), calculate liabilities, view account balances, apply for clearances, submit documents, track applications and manage compliance deadlines making tax administration more efficient and transparent. In practice, TPOS has delivered tangible benefits such as improved compliance management, reduced turnaround times and enhanced accessibility for both taxpayers and agents.

Indonesia – The "Coretax" administration system

Coretax is Indonesia's integrated digital tax administration platform designed to simplify taxpayer interactions while strengthening compliance and administrative efficiency. As a key landmark of the Directorate General of Taxes' (DJP) administrative reform and digital transformation agenda, Coretax consolidates core services such as registration, filing, payment, and taxpayer account management (TAM) into a single application, enabling taxpayers to access services through one unified system.

Implemented gradually starting from 1 January 2025, Coretax delivers integrated digital service access through a single taxpayer account, supported by facial recognition features for Indonesian residents. Coretax also harmonises the Taxpayer Identification Number with the National Identity Number for resident individual taxpayers, facilitating integration with third-party data and enhancing service quality.

A central feature is TAM, which provides a comprehensive and up-to-date taxpayer profile and taxpayer ledger presenting taxpayer rights and obligations, accessible through the taxpayer portal. TAM facilitates document management, notifications, and tracking of tax applications within the taxpayer account, offering easy access to electronic documents while ensuring data security remains a top priority.

Coretax supports automated tax calculations and pre-populated data, significantly improving efficiency and reducing human error. The filing of various taxes, such as individual and corporate income taxes, VAT and luxury goods sales tax, withholding taxes, land and building tax, and stamp duty, is integrated within a single system. Coretax replaces previously fragmented applications such as DJP Online, e-Invoice, e-Registration, e-Filing, and e-Billing, enhancing the overall taxpayer user experience.

Coretax introduces a flexible deposit-based payment mechanism, allowing taxpayers to pre-fund their account and use the balance for future tax obligations, including across tax years.

The platform applies standardised business processes and integrated data architecture to minimise errors and shorten processing time. By offering consistent information and guided workflows, Coretax improves clarity and reduces administrative burdens.

Malaysia – MyTax digital transformation

MyTax is Malaysia's national digital tax gateway developed by the Inland Revenue Board of Malaysia (IRBM) to unify fragmented tax processes into a single, data-driven platform. Initially launched in 2014 as a basic mailbox service, MyTax has evolved into a comprehensive digital ecosystem supporting registration, filing, payments, appeals, instalment arrangements, refund tracking, and appointment booking. The rollout of MyTax 2.0 in January 2023 marked a major milestone under the Hasil Transformation Project, shifting taxpayer interactions from physical counters and legacy portals to a unified digital front door.

As of September 2025, MyTax serves over 5.7 million active users, supports a 95% e-filing rate, and has reduced refund turnaround times by 30%, while eliminating more than 60% of paper-based transactions. These outcomes align with Malaysia's MyDigital Blueprint, which emphasises inclusive, citizen-facing digital services.

The latest phase focuses on three key enhancements:

- Integration with MyDigital ID for secure national authentication, strengthening trust and security.
- Linkage with MyInvois, Malaysia's e-invoice infrastructure, enabling seamless data flows for compliance and reporting.
- Deployment of AI-enabled assistance, providing real-time guidance, proactive notifications, and intelligent content search to reduce taxpayer uncertainty and call-centre load.

MyTax is now positioned as the core digital channel for Malaysia's tax administration, moving toward Tax Administration 3.0 a model built on identity assurance, real-time data exchange, and personalised digital engagement. These developments demonstrate Malaysia's commitment to modernising tax services and improving voluntary compliance through innovation.

Malta – VAT and taxpayer/citizen systems

The MTCA advanced its VAT and taxpayer digital landscape by addressing fragmented processes, paper-based submissions, and the need for European Union (EU)-aligned, data-driven capabilities.

To meet EU requirements, MTCA enhanced multiple VAT EU systems by enabling high volume payment data ingestion through the Central Electronic System of Payment Information (CESOP), automating cross border compliance with One-Stop Shop/Import One Stop Shop (OSS/IOSS), embedding rule based eligibility under the Small and Medium Sized Enterprises (SME) VAT Scheme, and strengthening VAT number validation and registration lifecycle management through VAT Information Exchange System (VIES) improvements.

In parallel, MTCA expanded the VAT Online Services Platform to support end-to-end digital interactions by deploying the person register, integrating EU reporting obligations for platform operators, applying MTCA branding, implementing digital penalties, rolling out the 12% VAT rate, and introducing automated SMS and email reminders.

To improve citizen facing services, the myTax Portal was upgraded to support full online filing of personal income tax returns with attachments, automated calculations, annual budget updates, and a dedicated final withholding tax section enabling digital submission of part-time self-employment, part-time employment, tax on rental income and tax on income from artistic-activity forms.

Together, these initiatives transformed VAT and taxpayer services into a more automated, compliant, and user-centric ecosystem, enhancing data quality, transparency, and convenience.

Sources: Information provided by Eswatini (2026), Fiji (2026), Indonesia (2026), Malaysia (2026) and Malta (2026).

Use of technology during taxpayer interactions

To enhance the taxpayer experience and increase the value of their service offerings, tax administrations are increasingly complementing static online content – such as web pages and guidance notes – with interactive digital services. This shift reflects a move away from one-way information provision towards more dynamic and responsive forms of engagement. To support this evolution, tax administrations are making growing use of technology during interactions with taxpayers, enabling the delivery of comprehensive, real-time and easily accessible assistance. These tools help taxpayers navigate their obligations more effectively while allowing administrations to provide more consistent, scalable and timely support.

Box 3.4. Moldova – Use of the automated notification system related to the failure to submit tax returns within the statutory deadline

At the beginning of 2024, the State Tax Service launched the Automated Information System "Compliance Risk Management" to ensure a high level of voluntary compliance with regard to the timely submission of tax returns,

The system automatically identifies taxpayers who have failed to submit, within the statutory deadline, tax returns related to VAT and excise duties and sends a notification message via the taxpayer's personal account.

The implementation of the automated notification system had a significant impact on the level of compliance. Compared to the total number of taxpayers that failed to submit a return, the percentage of taxpayers that received reminders and submitted their returns increased as follows:

- In case of VAT returns - from 2% in February 2024 (the first months of system use) to 56% during the year 2024, and 57% in 2025; and
- In case of excise duties returns - from 0% in February 2024 (the first month of system use) to 63% during the year 2024, and 75% in 2025.

It should be noted that if taxpayers do not comply voluntarily, measures are applied to suspend transactions on their bank accounts.

In 2025, the system functionalities were expanded to include new risk indicators aimed at identifying discrepancies in the data declared by economic operators in the VAT return, namely the non-declaration of fiscal invoices, as well as the cross-checking of information from fiscal invoices against the amounts declared in the VAT return for taxable supplies and deductible VAT.

Additionally, in the area of personal income tax administration, a risk indicator related to the declaration of income has just started to be applied in 2026. Systemic identification, assessment and treatment of tax compliance risks will further strengthen tax control and improve revenue collection.

Source: Information provided by Moldova (2026).

Virtual assistants

The use of virtual or digital assistants to help answer taxpayer questions and support self-service is common, as demonstrated by Table 3.4., which shows that half of administrations have virtual assistants, such as chatbots, in place to provide guidance on tax obligations. Uptake is strongest in North, South and West Europe and Asia. Where virtual assistants are available, they are most often based on pre-programmed rules, with 96% of administrations indicating that interactions follow predefined rules. At the same time, a smaller share of administrations (roughly one quarter) use AI-based capabilities to personalise interactions with taxpayers, with the highest adoption found in North, South and West Europe as well as East and South Asia. These more advanced systems can support more complex taxpayer queries, provide tailored responses, and improve performance over time through learning mechanisms.

Table 3.4. Availability of virtual assistants, 2025

Percentage of administrations with the respective process in place by region

Region	Virtual assistant(s), such as chatbots, are available	If yes, …	
		Virtual assistant(s) follows a set of pre-programmed rules during interactions with taxpayers	Virtual assistant(s) uses other artificial intelligence to personalise interactions with taxpayers
AFR	24	100	0
AS-CW	60	100	0
AS-ES	60	92	33
EU-CE	43	100	17
EU-NSW	74	100	36
LAC	56	89	22
PAC	0	0	0
Average	**50**	**96**	**24**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Artificial intelligence

AI is beginning to be used not only to power virtual assistants, but also to support a broader range of interactions between taxpayers and tax administrations. As shown in Table 3.5., 14% of administrations report using AI during taxpayer interactions beyond virtual assistants, indicating that adoption remains at an early stage.

Where AI is in use, its application varies significantly by region: North, South and West Europe and East and South Asia report the highest uptake with around 25%, applying AI to tasks such as suggesting responses to correspondence, assisting during live chats, and supporting taxpayers during the filing process.

Table 3.5. Use of AI during interactions with taxpayers (other than virtual assistants), 2025

Percentage of administrations with the respective process in place by region

Region	AI is used during interactions with taxpayers (other than virtual assistants)	If yes, type of interaction …			
		To suggest potential responses for incoming correspondence	To assist tax officials during live chats with taxpayers	To assist taxpayers during the filing of returns	Other interactions
AFR	0	0	0	0	0
AS-CW	10	0	0	0	100
AS-ES	25	40	40	40	0
EU-CE	7	0	0	0	100
EU-NSW	26	20	20	40	40
LAC	13	100	0	50	100
PAC	0	0	0	0	0
Average	**14**	**33**	**20**	**40**	**47**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.htm (accessed on 15 June 2026).

Pre-programmed and automated service responses

The use of pre-programmed and automated service responses can reduce burdens for the administration and reduce costs, while at the same time manage high volume of inquiries in a consistent and accurate manner throughout the day. As shown in Table 3.6., 54% of administrations offer services that rely on pre-programmed and automated responses during interactions with taxpayers, excluding virtual assistants.

Where such services are in place, they are most commonly used in telephone services, such as interactive voice response (IVR) systems (60%), and in return filing services (57%), reflecting areas where standardised processes and high transaction volumes lend themselves to automation. Automated responses are less frequently applied to taxpayer registration, payment services, and other interaction types, suggesting scope for further expansion as digital service models continue to evolve.

Overall, economies in Asia show the most extensive adoption, deploying automation across multiple interaction types, including telephone systems, registration, filing, and payment services.

Table 3.6. Pre-programmed and automated service responses during interactions with taxpayers (other than virtual assistants), 2025

Percentage of administrations with the respective process in place by region

Region	Administration offers services that follow a set of pre-programmed and automated service responses during interactions with taxpayers (other than virtual assistants)	If yes, type of service …				
		Telephone services, such as interactive voice response (IVR) systems	Return filing services	Taxpayer registration services	Payment services	Other services
AFR	30	40	80	40	60	20
AS-CW	80	50	63	50	38	75
AS-ES	80	63	63	44	44	19
EU-CE	64	56	56	33	56	33
EU-NSW	58	55	55	9	18	36
LAC	38	83	33	50	17	33
PAC	0	0	0	0	0	0
Average	**54**	**60**	**57**	**36**	**39**	**34**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Box 3.5. Examples – Enhancing taxpayer experience through AI

Ireland – Automating the categorisation of taxpayer queries

Revenue have improved the efficiency of their online portal, MyEnquiries, by utilising AI and Natural Language Processing (NLP) technology. Previously, this service required the taxpayer to categorise their queries via dropdown menus. Picking the correct categories was often difficult and confusing for taxpayers, resulting in most queries being submitted either as ‘general’ or to be incorrectly categorised.

To address this business and IT teams worked collaboratively to identify a range of customer enquiries, and then used these to train AI/NLP technology models to automate the categorisation task. The result is that the categorisation process is now automated when taxpayers submit queries, and the enquiry is routed to the appropriate subject matter experts for action. An AI model has been established which has significantly simplified the online interface.

The benefits of this project include:

- An uplift was achieved that boosted accuracy levels from under 65% when taxpayers were self-categorising, to 97% accuracy when done by AI.
- On average, autoclassification has reduced the overall routing time to the correct subject matter experts by over 24 hours.
- Simplifying the customer facing interface by removing layers of complicated drop-down menus such that a customer could now submit an enquiry to Revenue in 'free text' format without having to consider Tax categories and sub-categories.
- Encourages taxpayers to use digital first channels when contacting Revenue by making the submission of an enquiry much simpler.
- Drives more accurate classification of enquiries, gives more business insight into customer requirements, and allows for a more targeted response.

Korea – Enhancing taxpayer experience through AI-powered automated call services

The National Tax Service (NTS) of Korea introduced an AI-powered automated call service to address delays in responses to taxpayer calls caused by surges in inquiries during peak filing periods. The primary objective was to overcome the limitations of staff-based consultation services and improve administrative efficiency by redirecting simple and repetitive inquiries to digital channels.

Following a pilot phase in 2024, the service was fully deployed across all tax offices nationwide in 2025. Its scope was expanded beyond VAT and PIT to include high-demand areas such as the Earned Income Tax Credit (EITC) and year-end tax settlement assistance.

The system leverages NLP technology to analyse taxpayers' voice inquiries and is integrated with internal databases to provide real-time, personalised responses. This represents a change from previous approaches in terms of service delivery and information provision.

In 2025, the AI system handled approximately 1.55 million out of 2.8 million total calls received by tax offices nationwide, reducing staff workload and supporting improved access to taxpayer services.

Furthermore, by providing uninterrupted 24/7 service throughout the year, the NTS has expanded the accessibility of its services and enabled more efficient allocation of administrative resources.

Sources: Information provided by Korea (2026) and OECD (2025), Tax Administration 2025: Comparative Information on OECD and other Advanced and Emerging Economies, https://doi.org/10.1787/cc015ce8-en.

Ensuring accessibility

As tax administrations continue to expand their online service offerings, it remains important to recognise that not all citizens are able to access or effectively use digital channels. Barriers may arise, for example, from limited access to the internet, lower levels of digital literacy, or specific accessibility needs. Maintaining appropriate offline service channels, providing information in alternative formats, and adopting inclusive design practices, such as compatibility with screen-reading software or the availability of text-to-speech functions, can help to bridge these communication gaps and improve access to tax services. By ensuring that digital transformation remains inclusive, these efforts can contribute to greater trust in the tax system and help support voluntary compliance.

Despite the growing emphasis on online service delivery, most tax administrations continue to take steps to ensure accessibility for taxpayers who are unable to communicate digitally. As shown in Table 3.7., 85%

of administrations offer specific approaches for taxpayers without online access with particularly high coverage in Latin America and the Caribbean (100%), Africa (94%), and East and South Asia (90%).

In addition, over 40% of administrations indicate that their online services are designed to be accessible to users with visual, auditory, motor or cognitive disabilities. Europe demonstrates strong commitments towards providing this opportunity, reaching over 70% coverage. Among administrations providing accessible online services, slightly more than 65% measure users' perceptions of service quality.

Table 3.7. Ensuring accessibility of tax administration services, 2025

Percentage of administrations with the respective process in place by region

Region	Administration offers specific approaches to those that do not have online access	Taxpayers who have visual, auditory, motor or cognitive disabilities	
		Administration ensures that its online services are available to a wide range of users including those users who have visual, auditory, motor or cognitive disabilities	If yes, administration measures how those taxpayers perceive the quality of the service offerings
AFR	94	6	100
AS-CW	70	60	50
AS-ES	90	35	63
EU-CE	71	71	60
EU-NSW	84	84	69
LAC	100	19	100
PAC	63	13	100
Average	**85**	**44**	**67**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Box 3.6. Examples – Ensuring accessibility

Latvia – New services to support taxpayers not online

The Electronic Declaration System (EDS) was introduced in 2003 as a secure and convenient way to submit all tax reports, declarations, and other documents to the State Revenue Service (SRS) electronically.

The EDS is available to all taxpayers, and its main advantages are:

- Time savings;
- Higher data accuracy; and
- Improved data security.

To enable individuals who do not use online services to interact with the tax administration and submit information electronically, a service titled "Authorization for the Use of EDS E-services" was established in 2019 at Unified State and Municipal Customer Service Centres.

Currently, two types of services are provided:

- Submission of the annual income declaration; and
- Making changes to the electronic employee registry.

Individuals can visit a SRS customer service centre with paper documents, and an authorized SRS employee enters the information electronically. Data entry is performed using the "EDS Employee Workstation" solution within the EDS. In this way, the SRS ensures equal access to electronic services for all taxpayers, including those with limited digital skills or no access to digital tools.

South Africa – Mobile tax services

The South African Revenue Service (SARS) introduced mobile tax services for taxpayers without internet connectivity. Taxpayers who have basic standard mobile devices can send an SMS or a USSD request to SARS. USSD stands for Unstructured Supplementary Service Data and is a protocol used for interactive communication through text messaging. The USSD Service channel enables taxpayers to access key SARS services via basic mobile phones such as registering for Personal Income Tax (PIT) and a Taxpayer Identification Number (TIN).

For taxpayers using smart phones with internet connectivity, SARS has established a communication channel via a widely-used mobile communication app. This communication channel can be accessed by adding a specified number (available on their website). The channel provides general tax advice and responds to specific PIT queries including registration, statement of account, checking the TIN, checking refund status, audit status, notices of assessment and more.

Additionally, SARS MobiApp is a mobile channel to complete and submit income tax returns. It also facilitates e-payment and tax calculation, filing of returns, registration for e-filing, upload and submission of supporting documents, e-payments, access to notice of assessment, view of the income tax statement of account and more.

Sources: Information provided by Latvia (2026) and South Africa (2026).

Measuring taxpayer experience

As tax administrations place increasing emphasis on the provision of online services, most also measure the taxpayer experience with those services to help identify areas of concern, improve service quality, and increase user satisfaction. These measurements can also generate valuable insights into gaps in existing service delivery and emerging taxpayer expectations, informing the further development and refinement of digital services. It can also provide insights into gaps in service provision and new service expectations.

As highlighted in Table 3.8, 75% of administrations measure taxpayer experience in using online services. Central and West Asia and Central and East Europe show the strongest commitment, with all administrations in these regions conducting some form of measurement. Across all regions, surveys are the most widely used method, applied by 88% of administrations that measure taxpayer experience, closely followed by online feedback channels at 69%. Other approaches such as user testing, web analytics and interviews are used more selectively and vary significantly by region. Europe and Central and West Asia demonstrate relatively diversified measurement practices, while Africa, East and South Asia, and Latin America and the Caribbean rely more heavily on surveys and basic feedback mechanisms.

Table 3.8. Measuring taxpayer experience in using online services, 2025

Percentage of administrations with the respective process in place by region

Region	Administration measures taxpayer experience in using online services	If yes, approach used…					
		Survey (online or paper)	Online feedback channels (other than survey)	User testing	Web analytics	Interview (phone or in-person)	Other
AFR	47	88	88	25	11	38	13
AS-CW	100	90	80	60	40	50	20
AS-ES	75	93	60	20	40	33	0
EU-CE	100	86	57	43	57	29	21
EU-NSW	79	87	67	67	47	60	7
LAC	88	86	79	14	21	50	0
PAC	13	0	0	0	0	0	100
Average	**75**	**88**	**69**	**40**	**40**	**43**	**10**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Box 3.7. Singapore – GenAI-powered service quality monitoring for enhanced taxpayer interactions

Since April 2025, the Inland Revenue Authority of Singapore (IRAS) has launched an intelligent Service Quality Monitoring (SQM) application that leverages Generative AI (GenAI) to transform how IRAS monitors and improves taxpayer service interactions. This in-house GenAI-powered solution seeks to address the challenge of monitoring 300 000 live chat sessions that officers interacted with taxpayers annually, moving from selecting a fraction through random sampling to achieving comprehensive 100% monitoring.

SQM's core strength lies in its contextual understanding capabilities, supported by Large Language Models (LLMs) that can comprehend entire conversations rather than relying on keyword detection or supervised learning. This approach improves the robustness of the SQM solution and minimises the reliance on training data, mitigating common challenges posed by the more conventional methods. The SQM application intelligently evaluates officers' responses to taxpayers' queries against IRAS' service attributes, i.e., Assurance, Clarity, Empathy, Expertise (or "ACE2"). In doing so, SQM provides valuable insights into whether officers are demonstrating the expected service attributes during their interactions with taxpayers. Where service attributes fall short, SQM flags them for officers to receive targeted training and development.

With the SQM fully developed in-house, the solution delivers bespoke capabilities unavailable in off-the-shelf products. Its design also aims to ensure adaptability to future needs, avoiding the significant costs associated with procuring and customising commercial alternatives. SQM exemplifies organisational AI commitment through a collaborative development approach between the technical teams and the business units, building trust and capabilities in AI across the organisation. Taxpayers benefit from consistently high service quality as every interaction receives systematic review, ensuring improved service delivery and better taxpayer experience with IRAS.

Source: Information provided by Singapore (2026).

Reports in the OECD's Tax Administration Series contain numerous examples provided by tax administrations regarding developments in online services, ensuring accessibility and measuring taxpayer experience, see *Tax Administration 2025* (OECD, 2025[3]) and previous editions.

Embedding services in taxpayer's natural systems

By embedding services and processes within the natural systems used by citizens and businesses as part of their daily activities, tax administrations can make compliance more seamless and less burdensome. This approach allows taxpayers to meet their obligations more easily, while reducing administrative burdens and limiting data entry errors through greater automation and reuse of information. As many of these natural systems are developed and maintained by third party software providers, tax administrations are increasingly fostering collaboration with these developers to expand available services. This collaboration can enable new forms of interaction, such as the prefilling of tax returns or the real time validation of data, further simplifying compliance.

Integrating tax interactions into third party systems

The technical connection between tax administration systems and taxpayers' natural systems is typically enabled through APIs. APIs facilitate secure and standardised communication between systems, allowing data to be exchanged and services to be delivered without granting direct access to underlying systems. Their use supports interoperability, scalability, and security, and is a key enabler of embedding tax processes into broader digital ecosystems. Table 3.9. shows that around 80% of tax administrations are developing APIs, with universal adoption in Africa and Central and West Asia. Among those administrations, just under 60% make a library of APIs publicly available for third-party use, facilitating external integration and reuse. Further, as part of the process of developing APIs, 65% of administrations engage in co-creation with third parties as part of the API development process.

Table 3.9. Development of APIs, 2025

Percentage of administrations with the respective process in place by region

Region	Administration develops APIs	If yes, …	
		Administration makes a library of APIs publicly available for third party use	Administration engages in co-creation of APIs with third parties
AFR	100	53	71
AS-CW	100	50	60
AS-ES	80	38	50
EU-CE	79	73	73
EU-NSW	79	87	73
LAC	81	54	69
PAC	13	0	100
Average	**81**	**59**	**66**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Table 3.10. illustrates for which type of interactions tax administrations have published APIs. APIs are most commonly available for core interactions across all three-tax type: filing tax returns, making tax payments,

and registering for tax. On average, administrations show approximately 40–50% API coverage for those interactions.

Across regions, the rollout of APIs supporting service development is slightly different. In Africa, Asia and Latin America and the Caribbean APIs for making payments are the most common across the three tax types, whereas in Europe this is the case for filing tax returns.

APIs are less frequently published for more complex or case-specific interactions, such as requesting extensions of filing or payment deadlines or arranging tax payment plans. In this respect, the ITTI database (OECD et al., 2025[2]) contains information regarding additional types of interactions.

Table 3.10. Interactions for which administrations have published APIs, 2025

Percentage of administrations with the respective process in place by region

	Registering for tax			Filing tax returns			Making tax payments			Requesting extensions of deadlines			Asking for tax payment arrangements		
Region	PIT	CIT	VAT	PIT	CIT	VAT	PIT	CIT	VAT	PIT	CIT	VAT	PIT	CIT	VAT
AFR	47	47	53	36	29	36	53	53	59	6	6	12	6	6	12
AS-CW	29	44	44	29	22	44	75	60	50	0	0	0	0	0	0
AS-ES	40	38	38	40	50	50	53	53	57	13	6	7	7	6	14
EU-CE	18	27	46	55	64	64	18	18	18	9	9	9	9	9	18
EU-NSW	53	40	40	67	67	67	47	47	47	20	20	20	13	13	13
LAC	31	42	25	46	42	42	54	50	50	8	8	17	23	17	33
PAC	0	0	0	0	0	100	0	0	0	0	0	0	0	0	0
Average	**39**	**40**	**40**	**48**	**48**	**53**	**49**	**48**	**47**	**12**	**11**	**12**	**12**	**11**	**16**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

The OECD report *Unlocking the Digital Economy: A Guide to Implementing Application Programming Interfaces in Government* (OECD, 2019[4]) provides an overview of the practices, techniques and standards used to deliver services for taxpayers through APIs. In addition, reports in the OECD's Tax Administration Series contain numerous examples of API developments in tax administration, see *Tax Administration 2025* (OECD, 2025[3]) and previous editions.

In addition, the 2022 OECD report *Towards Seamless Taxation: Supporting SMEs to Get Tax Right* (OECD, 2022[5]) examines how tax administrations are working to integrate taxation processes into SME taxpayers' natural systems and identifies some of the key benefits and considerations.

Creating software packages for use by taxpayers

In addition to embedding services within existing third-party systems, some tax administrations have begun to develop their own digital tools that function as natural systems for taxpayers. These may include software solutions for record keeping, the creation and conversion of electronic files and forms, and the preparation or pre-filling of returns. Such tools can incorporate guidance and validation features, enhance accessibility, and improve integration with tax administration systems. In doing so, they can help reduce errors, lower compliance burdens, and support improved compliance outcomes, while also increasing the consistency and quality of taxpayer interactions.

As can be seen in Table 3.11. and Table 3.12., tax administrations do this by themselves or in partnership with third parties. The data shows that tax administrations most frequently develop return-filing software, with an average of 50% across regions. Latin America and the Caribbean lead in this area, with over 80% of administrations providing their own filing tools, followed by Central and West Asia and Central and East Europe.

Invoicing and other supporting software are also common in several regions, particularly Latin America and Central and West Asia, which report the highest levels of software creation across multiple categories. By contrast, the creation of bookkeeping, accounting, and payroll software remains far less widespread globally, with averages of 14%, reflecting a more limited role for administrations in supplying tools traditionally provided by the private sector.

Table 3.11. Software created by the administration, 2025

Percentage of administrations with the respective process in place by region

	Types of software				
Region	Bookkeeping and accounting software	Payroll software	Invoicing software	Return-filing software	Other software
AFR	18	6	41	47	35
AS-CW	30	11	44	60	56
AS-ES	10	20	20	55	25
EU-CE	7	7	36	57	43
EU-NSW	5	11	21	37	26
LAC	25	31	50	81	56
PAC	0	0	0	0	13
Average	**14**	**14**	**31**	**50**	**36**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Third-party partnerships in software development are relatively common across tax administrations, with particularly strong engagement in Africa and Latin America and the Caribbean, where collaboration rates exceed 40% for most software types. These regions show especially high partnership levels for invoicing software, reaching 65% in Africa and 56% in Latin America. Partnership levels are more modest in Europe and Asia, where collaboration tends to be concentrated around return-filing software.

On average, third-party partnerships in software development are most common for return-filing software (39%) and invoicing solutions (31%).

Table 3.12. Third-party partnerships in software development, 2025

Percentage of administrations with the respective process in place by region

Region	Types of software				
	Bookkeeping and accounting software	Payroll software	Invoicing software	Return-filing software	Other software
AFR	47	41	65	47	41
AS-CW	20	0	20	10	10
AS-ES	10	15	20	45	15
EU-CE	29	29	21	43	43
EU-NSW	11	16	16	26	26
LAC	44	31	56	63	44
PAC	13	13	0	13	25
Average	**25**	**22**	**31**	**39**	**31**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

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OECD et al. (2025), *Inventory of Tax Technology Initiatives*, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026). [2]

4 Data management and standards

This chapter looks at some of the underlying mechanisms put in place by tax administrations to manage, safeguard, and govern data. It covers processes such as data governance, data collection, data sharing and data analytics.

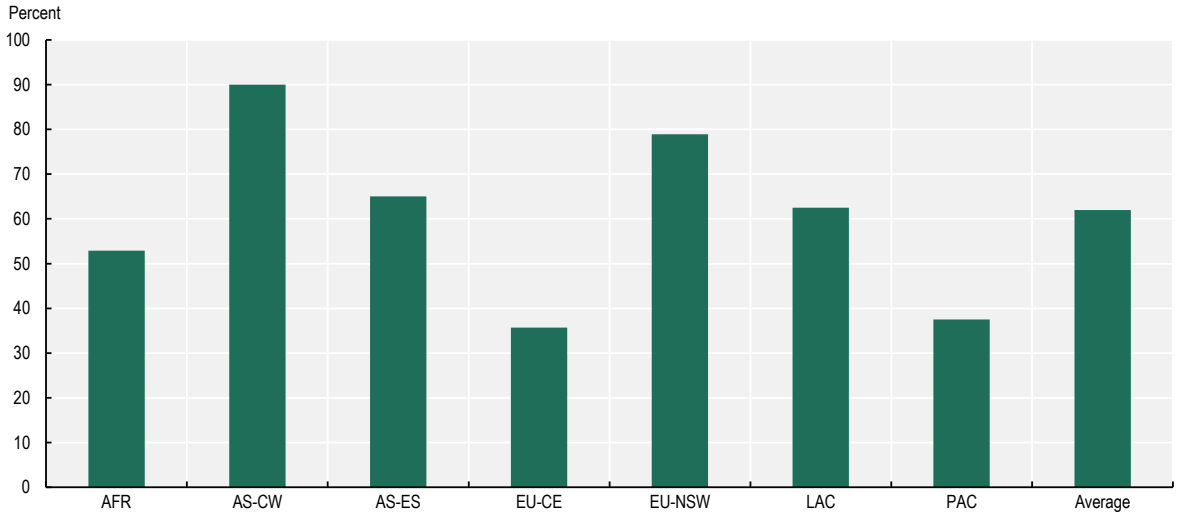
Data governance

Data plays a central role in modern tax administrations, underpinning effective revenue collection, compliance enforcement, and evidence-based decision-making. As tax administrations increasingly transform into data-driven organisations, they are handling ever-growing volumes of data from a wide range of internal and external sources.

While the physical location of this data becomes less relevant under the Tax Administration 3.0 vision (OECD, 2020[1]), the need for robust mechanisms to manage, safeguard, and govern it has become more critical than ever. In this respect, slightly over 60% of tax administrations have a comprehensive data management strategy in place, with the highest percentage in Central and West Asia (90%), see Figure 4.1.

Figure 4.1. Data management strategies, 2025

Percentage of administrations with the respective process in place by region



Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

StatLink https://stat.link/j7w584

The expansion in data volumes has been accompanied by the development and deployment of more sophisticated approaches to data management and protection. These approaches are essential to ensuring data confidentiality and integrity, meeting legal and regulatory obligations, and sustaining taxpayer trust in the tax system. Effective data protection is therefore not only a technical requirement, but also a foundational element of institutional credibility.

At the same time, the digitalisation and digital transformation of tax administrations have enabled the growing use of advanced data analytics and AI-driven automation. These technologies support the modernisation of processes such as the filing of tax returns, withholding tax calculations, and data sharing arrangements, as well as the broader delivery of digital taxpayer services. Their effective use depends on reliable, well-governed data that can be accessed and applied securely and appropriately.

Strong data confidentiality, security controls, and high data quality standards also underpin the secure and effective exchange of information. This includes exchanges within economies, including with third parties, as well as between governments. Trust in domestic and international exchange frameworks relies on confidence that data is accurate, protected, and used in line with agreed purposes and legal safeguards.

Data governance lies at the heart of these efforts. By establishing clear roles, responsibilities, standards, and controls, data governance ensures the availability, quality, and security of data throughout its lifecycle. As the volume, variety, and use of data continue to expand, tax administrations are increasingly investing in comprehensive data governance frameworks and safeguards to ensure that data is stored, accessed, and used appropriately, both internally and externally, thereby reinforcing trust in the tax system as a whole.

Table 4.1. provides an overview of key data governance practices implemented by tax administrations, covering data quality, data access and security, data ethics, and emerging uses of AI as part of the data governance process. Central and West Asia report the highest levels across nearly all categories, with most indicators ranging between 90% and 100%. North, South and West Europe also demonstrate strong uptake in several areas.

- **Data quality**: The importance of data quality cannot be overstated. Having accurate, complete and timely data is a necessity for any tax administration. In this respect, on average, 78% of administrations report assessing the quality of reported data, supporting accuracy, completeness and timeliness in tax processes.
- **Data access and security**: Protecting data from unauthorised access is a key priority for tax administrations as data breaches, internally and externally, can undermine trust in the wider tax system. In this respect, 95% of administrations control user access to data, 80% have dedicated cyber security units, and slightly more than 80% engage external parties to test system security. In addition, three quarters of administrations report having systems in place to automatically detect unauthorised data access, while around two thirds employ a Data Privacy Officer.
- **Data ethics**: 63% of administrations report having a data ethics framework in place to guide the responsible use of data.
- **AI and data governance**: The use of AI within data governance processes remains relatively limited, with 15% of administrations reporting its use, although this is an area where further uptake may be expected as analytical capabilities mature. Here, Africa reports the highest rate at 29%, nearly double the average.

Table 4.1. Data governance, 2025

Percentage of administrations with the respective process in place by region

Region	Comprehensive data management strategy exists	Quality of reported data is assessed	Data ethics framework in place	User data access and security is controlled	Unauthorised access is automatically detected	Data Privacy Officer is employed	Cyber security unit exists	External parties hired to test the security	Artificial intelligence as part of the data governance process
AFR	53	76	41	94	65	47	71	94	29
AS-CW	90	90	100	90	90	90	90	78	20
AS-ES	65	70	65	95	75	50	80	80	15
EU-CE	36	64	64	100	86	79	86	86	21
EU-NSW	79	84	68	100	79	95	95	95	5
LAC	63	88	63	100	81	56	75	81	13
PAC	38	63	25	75	38	25	38	38	0
Average	**62**	**79**	**63**	**95**	**76**	**66**	**80**	**83**	**15**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Box 4.1. Examples – Data governance

Guatemala – Data governance framework

In the field of data governance, the tax administration of Guatemala (SAT) has established an administrative and technological framework which includes a formally defined data governance macro-process incorporated into the institution's Macroprocess Map, together with six officially approved procedures aligned with this framework.

This structure enables (i) the definition and implementation of the institutional data governance model and strategy; (ii) the collection, validation, standardisation, and integration of data into the institutional data warehouse; and (iii) the subsequent distribution and use of data across the organisation.

Recent actions undertaken include:

- The development and adoption of institutional policies designed to ensure the efficient, secure, and transparent management of data, promoting data quality, protection, and strategic use. These include policies for data management, data quality, data security and data confidentiality.
- The implementation of a data literacy strategy aimed at strengthening the technical and analytical capabilities of staff and fostering a data-driven culture throughout the institution.
- The establishment of data quality monitoring and control mechanisms within the institutional data warehouse, focused on a prioritised set of data sources. These mechanisms support the timely identification and correction of errors, ensuring that data remains reliable, accurate, consistent, complete, and maintains its integrity.

Maldives – Data governance framework for a reliable and effortless tax system

As tax administrations increasingly rely on digital technologies, data has become a strategic asset. For the Maldives Inland Revenue Authority (MIRA), the effective governance of data is important to achieve its strategic objectives of delivering a reliable, transparent and effortless tax system.

As the tax authority of Maldives, MIRA collects over 84% of government revenue and has access to sensitive personal and financial information of over 86 000 taxpayers. This puts an obligation on MIRA to ensure that the confidentiality of taxpayer data is adhered to, and the data is used in a manner that safeguards taxpayer rights and in accordance with legal and regulatory requirements.

While MIRA has achieved high levels of digital adaptation with over 94% of returns filed electronically and over 95% of payments processed through online platforms, the backend of this system is supported by over 60 internal systems including core systems and payment platforms where data is held in silos. For the past 16 years, MIRA has been operating without formalised data ownership and catalogue, creating practical challenges including inconsistencies and incompleteness in data.

To address these challenges, an initiative was launched to establish a structured data governance framework under the Strategic Plan 2025-2028 and the 10-year Digital Transformation Roadmap of MIRA. With the support from the United Nations Development Program and technical expertise from Norway Registers Development AS, a data governance mission was launched in December 2025.

The development of this framework involved comprehensive desk reviews and stakeholder consultations to ensure that the framework fits best with the tax administration system and legislative framework. The framework establishes a centralised governance model with three levels, strategic oversight through the digitalisation committee, operational coordination through the data governance council, and domain-level accountability through data owners and data stewards. A core set of fourteen policies was reviewed to address all key areas of data management with focus on data sharing practices. Changes to these policies are underway. Further, an enterprise data catalogue is also being developed. This catalogue will provide a structured inventory of data assets, including ownership, classification, system location, and governance requirements.

Looking forward, MIRA has been actively working on upskilling the staff with the knowledge and practical skills needed to manage data appropriately in their daily work and providing specialised training in key areas of data governance. MIRA aims to achieve a full adaptation of this framework by 2029.

Mauritius – Data access, security, and privacy

The Mauritius Revenue Authority (MRA) manages sensitive taxpayer information, requiring robust systems to ensure confidentiality, integrity, and availability. An Information Security Management System (ISMS) has been implemented at the MRA that has achieved ISO 27001 certification. This is for the protection of tax related information acquired, stored and communicated through the MRA's Data Centre.

Protecting data from unauthorised access is a key priority for the MRA given that data breaches, whether internal or external, can severely undermine public trust, compromise taxpayer confidentiality, and weaken confidence in the wider tax system's fairness and reliability.

The MRA enforces strict user data access controls, supported by an IT security unit. Additionally, external IT security experts are engaged to independently test, validate, and strengthen system resilience against evolving threats, ensuring layered protection and accountability.

Independent external security auditing provides objective assurance of system integrity. Regular compliance reviews, and audits validate internal controls, highlight vulnerabilities, and ensure the MRA meets international standards for data protection and IT governance.

Advanced monitoring systems are deployed to automatically detect unauthorised data access attempts. These systems provide real-time alerts, enabling rapid response, investigation, and remediation, thereby minimising risks of data compromise and ensuring taxpayer information remains secure and confidential.

Automated threat detection tools continuously analyse network traffic, user behaviour, and system logs. The MRA identifies anomalies early, preventing potential breaches and ensuring proactive defence against sophisticated security threats.

The MRA employs strong encryption practices to protect sensitive taxpayer data. Encryption keys are securely managed, ensuring compliance with global standards while preventing unauthorised interception, manipulation, or disclosure of confidential information.

Through layered security controls, proactive monitoring, and independent validation, the MRA demonstrates its commitment to safeguarding taxpayer data, reinforcing trust, and ensuring the resilience of revenue collection systems.

Sources: Information provided by Guatemala (2026), Maldives (2026) and Mauritius (2026).

Data collection

Receiving data from taxpayer business systems and third parties

The increasing availability of data in electronic form has fundamentally transformed how tax administrations collect, access, and integrate information. Rather than relying primarily on taxpayers to extract, process, and submit data through paper or online forms, tax administrations are increasingly receiving data directly from taxpayers' business systems and from third parties. This shift requires close collaboration with third parties to ensure that data flows are accurate, secure, and reliable.

As seen in Chapter 3, APIs are playing an increasingly important role in enabling automated, standardised, and scalable data exchanges. In parallel, new technological approaches are emerging that allow tax administrations, subject to appropriate safeguards, to access relevant data directly within taxpayers' natural systems, further reducing reporting burdens while increasing data quality and timeliness.

As part of pay-as-you-earn (PAYE) systems tax administrations have received data directly from employer business systems since many years. As Table 4.2. highlights, for just over 60% of administrations this is now also the case for other data beyond PAYE. Adoption is strongest in Central and West Asia (80%), followed by Central and East Europe (71%). Among those administrations, almost all indicate that some data can be uploaded manually via dedicated interfaces, while 82% indicate at least some data can be transmitted automatically through machine-to-machine connections without human intervention. Automatic machine-to-machine transmission reaches 90% in Latin America and the Caribbean, Africa, and Central and East Europe. Manual uploads are between 90–100% across most of the regions.

For data received directly from third parties, most regions show strong adoption with 75% of administrations receiving data directly from them. As with data received from taxpayer business systems, the vast majority of these administrations (90%) allow data to be uploaded manually through dedicated interfaces, and around 80% support the automatic transmission of at least some data through machine-to-machine processes. Automatic transmission is highest in the Central and East of Europe at 92%.

Table 4.2. Receiving data from taxpayer business systems and third parties, 2025

Percentage of administrations with the respective process in place by region

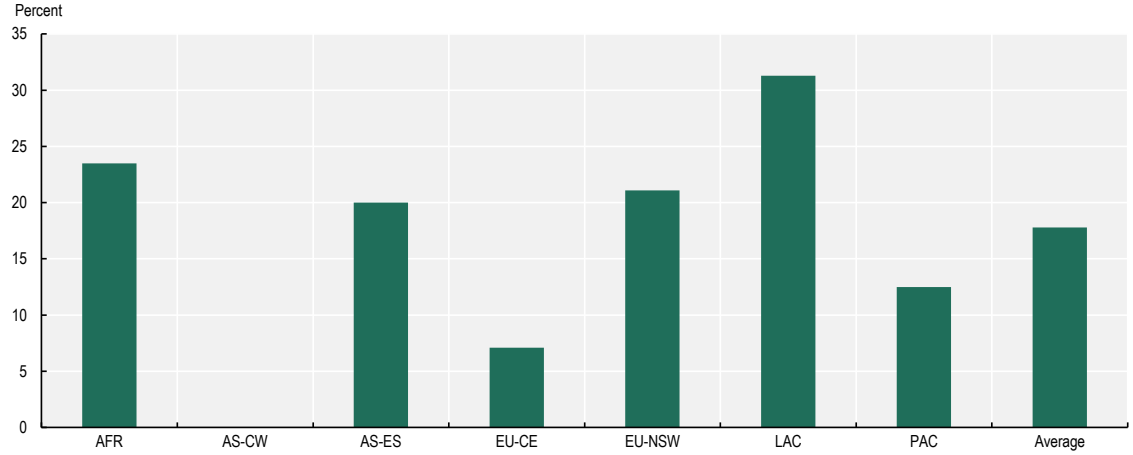
Region	Administration receives data directly from taxpayer business systems (beyond PAYE systems)	If yes, …		Administration receives data directly from third parties	If yes, …	
		Some data can be sent to the administration automatically from machine-to-machine without human involvement	Some data can be uploaded manually onto the administration's systems via dedicated interfaces		Some data can be sent to the administration automatically from machine-to-machine without human involvement	Some data can be uploaded manually onto the administration's systems via dedicated interfaces
AFR	59	90	90	71	83	83
AS-CW	80	88	100	80	88	88
AS-ES	50	60	90	65	62	92
EU-CE	71	90	100	86	92	92
EU-NSW	68	77	92	90	77	94
LAC	69	91	91	75	83	100
PAC	0	0	0	38	33	33
Average	**61**	**82**	**94**	**75**	**79**	**90**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Finally, a small share of administrations (17%) indicate that their IT systems can routinely access data stored in taxpayers' natural systems, with the highest percentage in the Latin America and the Caribbean region (31%), see Figure 4.2.

Figure 4.2. Routine access to data stored in taxpayer natural systems, 2025

Percentage of administrations with the respective process in place by region



Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

StatLink https://stat.link/1jxhge

Box 4.2. Examples – Receiving data from taxpayer business systems

Azerbaijan – Implementation of the e-cash register system

The e-cash register system is an integrated digital solution designed to manage cash settlements through electronic recording and online data exchange. It functions as a software-hardware complex with a built-in control mechanism that enables transaction data to be recorded electronically and transmitted to the information systems of the State Tax Service (STS) creating a centralised framework for handling cash settlement information.

The transition to the e-cash register system began in 2019 and was completed in 2022.

The system's operational process is based on continuous online interaction. Data generated at the point of sale is encrypted and sent from the e-cash register to the STS server, where it is accumulated and stored. The data is then processed within the STS information systems and made available through the e-cash register monitoring platform, which allows authorised users to supervise register operations, perform technical checks, and review and analyse statistical data related to transactions.

An important feature of the system is the updated format of receipts. Each receipt contains a QR code and a unique identification element, enabling customers to verify the validity of a receipt by checking its registration in the STS database. This mechanism supports oversight of cash settlements and improves transaction traceability.

The year-on-year growth rates for turnover recorded through cash registers is 13.64% and for non-cash transaction is 34.17%.

The system required next-generation cash registers which are constantly linked to the STS's servers. Those cash registers have also been crucial to the "VAT Cashback" initiative which, if certain conditions are met, allows customers to reclaim parts of the VAT paid. By bridging the gap between physical retail and digital tax systems, they have fundamentally changed how commerce works in Azerbaijan.

The "VAT Cashback" project has effectively turned every consumer(end-user) into a voluntary "tax auditor". Customers now actively demand their VAT receipts which is only possible if the merchant is a registered VAT payer and uses a modern cash register device. This shift in behaviour has made it increasingly difficult for businesses to manipulate their turnover, significantly shrinking the "shadow economy". Cases of tax evasion decreased, and cashless turnover in retail trade outlets increased by up to threefold.

Fiji – Electronic fiscal device and VAT monitoring system

Fiji has introduced an Electronic Fiscal Device (EFD) Regulation designed to modernise the transmission of Sales Data from businesses' point of sales systems to the Fiji Revenue and Customs Service on a real-time basis. This platform enhances transparency, data accuracy, and strengthens compliance. It allows the matching of sales data declared in the tax returns filed by taxpayers against the sales data reported through the EFD platform.

Benefits include the identification of anomalies on time, such as the use of correct VAT rates, correct application of zero-rated VAT, detecting discrepancies promptly, thus reducing opportunities for under-reporting, under-payment of sales or overclaiming of expenses and refunds by customers or third parties. VAT accounts for 40 per cent of Fiji's total tax revenue and the adoption of EFD safeguards government revenue.

Romania – From periodic declarations to a data-driven compliance ecosystem

Historically, the Romanian tax administration relied on a compliance model primarily based on periodic, aggregated tax declarations providing limited, delayed and fragmented data, constraining risk analysis capabilities and the ability to address the VAT gap promptly.

Aiming to implement a structural transformation by moving beyond digitised forms towards establishing a data-centric compliance framework, the digital strategy of the Romanian tax administration comprised of multiple reporting and data-exchange instruments under a unified compliance objective.

Two complementary digital reporting systems were implemented:

- **Standard Audit File for Tax (SAF-T)** – a standardised XML file automatically generated by the taxpayers' internal systems, comprising structured accounting and financial data, based on the OECD 2.0 version. The SAF-T mandatory filing was gradually introduced starting in 2022, for large taxpayers, and continuing until 2025 for all categories of taxpayers.
- **RO e-Factura** – a nationwide electronic invoicing system allowing near real-time transmission of transaction-level data through APIs, based on semantic standardisation of invoice data in line with European Union standards. The system was mandatorily introduced in 2022 for Business-to-Government (B2G) and other categories of transactions and subsequently extended to Business-to-Business (B2B) and Business-to-Consumer (B2C) transactions in 2024.

These systems form the backbone of a centralised fiscal data environment, enabling cross-validation, automated checks and advanced analytics. Rather than implementing isolated tools, the focus was placed on interoperability, data standardisation and reuse of information across processes.

The implementation of both systems resulted a number of challenges for taxpayers, including increased compliance costs for adjusting to those systems, steep learning curves, the management of very large data volumes, and the need to strengthen data governance and analytical capabilities. These issues are being addressed through ongoing technical improvements, guidance, and capacity building.

Despite those challenges, the benefits for the tax administration and for taxpayers are significant. For the tax administration, they include earlier identification of compliance risks; improved targeting of audits and controls; and reduced reliance on ex-post, resource-intensive inspections. From a taxpayer perspective there is an increased clarity and predictability of tax obligations; a reduced frequency of ad-hoc information requests; and a foundation for future prefilled returns and automated reconciliations.

Ukraine – Digital transformation of tax control: Implementation of the "E-Audit" system

Starting from December 2025, the deployment of the electronic audit information and communication system (ICS) "E-Audit" has become one of the key steps in the digital transformation of the State Tax Service and the modernisation of the tax control model.

The main goal of introducing the ICS "E-Audit" is to increase the efficiency, transparency and objectivity of tax audits of large taxpayers by automating the collection and analysis of accounting data. The system enables advancing from labour-intensive manual audits to automated analysis of large arrays of accounting and tax data made available by the large taxpayers. This significantly minimises the impact of the human factor, reduces the duration of tax control measures, improves their quality and reduces the administrative burden on tax authorities and businesses.

Unlike traditional audits, which are mainly based on selective manual analysis of documents, "E-Audit" uses modern digital tools, tests and data processing algorithms. The system quickly identifies potential tax risks or discrepancies, which allows the auditor to quickly investigate transactions and provide substantiated analytical conclusions on an evidentiary basis.

The technological basis is an integrated IT solution using the standardised XML format Standard Audit File for Tax (SAF-T), which ensures the unification of the data structure, its automatic integration and validation within the State Tax Service information systems.

As part of the ICS "E-Audit" pilot implementation, more than 900 SAF-T test files of taxpayers were processed, improving the functionality of the system, the analytical algorithms and preparing it for full-fledged deployment. In general, the new system contributes to the transition of the State Tax Service of Ukraine to a modern, risk-oriented model of tax control based on automation, digital technologies and international tax control standards.

Sources: Information provided by Azerbaijan (2026), Fiji (2026), Romania (2026) and Ukraine (2026).

The OECD report *Tax Administration 3.0 and Connecting with Natural Systems: Initial Findings* (OECD, 2022[3]) examines the issues and challenges related to moving towards connected data systems, and explores the issues that stem from managing the availability, quality and accuracy of data that is drawn remotely from taxpayers' natural systems.

Use of data for return prefilling

One of the most significant developments in the tax return process in recent years has been the expansion of prefilled tax returns, which reduce compliance burdens and administrative costs for taxpayers. Under this approach, tax administrations prepopulate returns with data obtained from third parties, allowing taxpayers to review, confirm, or amend the information before filing electronically or on paper. Initially developed for PIT, return prefilling has expanded to other tax types as digital reporting infrastructures have matured. Technologies such as electronic invoicing systems have enabled prefilling for VAT and, in some economies, elements of CIT.[1]

As shown Table 4.3., just over 60% of administrations report prefilling PIT returns with the data that they have collected, while 31% prefill VAT returns and 22% CIT returns. Across regions, prefilling of PIT returns is most advanced in Europe, where over 85–90% of administrations prefill PIT returns. For CIT and VAT, Latin America and the Caribbean show the highest adoption, with around 50% of administrations offering prefilling of such returns.

As the table also shows, for certain taxpayers, administrations fully prefill tax returns with all required data, allowing them to submit the return without making any changes. This approach reduces compliance burdens, improves accuracy, and reflects a more advanced stage of data use, where administrations can reliably combine third-party and taxpayer information to produce complete returns. Using this approach, North, South and West Europe report the highest use of fully prefilled PIT returns (88%).

Table 4.3. Prefilling approach of tax returns by personal income tax, 2025

Percentage of administrations with the respective process in place by region

	Administration automatically prefills tax returns with data that it has collected			If yes… Returns are automatically prefilled with income information (For VAT: with information on sales transactions and output VAT)			Returns are automatically prefilled with expense/allowance information (For VAT: with information on purchase transactions and input VAT)			For certain taxpayers, the administration prefills tax returns with all necessary data so that they do not need to change the return		
Region	PIT	CIT	VAT	PIT	CIT	VAT	PIT	CIT	VAT	PIT	CIT	VAT
AFR	35	12	24	100	100	75	67	100	75	67	0	50
AS-CW	38	20	30	100	100	100	100	100	100	33	100	67
AS-ES	56	20	38	90	100	100	80	50	100	70	0	60
EU-CE	86	14	36	100	50	80	58	50	80	67	50	0
EU-NSW	94	26	22	100	60	100	77	60	100	88	0	50
LAC	63	47	53	100	100	100	80	86	100	50	43	50
PAC	29	17	0	100	100	0	50	100	0	0	0	0
Average	**62**	**22**	**31**	**98**	**87**	**90**	**70**	**74**	**90**	**67**	**26**	**43**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands

Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

The OECD Tax Administration publications, such as the 2025 edition (OECD, 2025[4]), contain more detailed information on this topic, including a large number of examples of prefilling developments in different economies.

To enable the full prefilling of information, some economies are simplifying their tax rules. Table 4.4. shows that 46% of economies have done so, using a range of approaches to simplify the rules. This is particularly the case in Latin America and the Caribbean where 67% of economies report making use of such measures to allow for the prefilling of returns.

When looking at the particular approaches taken, 57% of the economies report having simplified or reduced the number of taxable deductions or allowances, and 52% report having created special tax regimes with simplified rules for calculating income.

Table 4.4. Simplified tax rules to allow for the prefilling of returns with all necessary data, 2025

Percentage of economies with the respective process in place by region

Region	Tax rules were simplified to allow for the prefilling of returns with all necessary data	Approach taken to simplify the tax rule: Simplification or reduction of number of taxable deductions / allowances	Creation of special tax regimes with simplified rules for calculating income	Other approaches
AFR	33	50	50	0
AS-CW	50	0	100	0
AS-ES	43	100	33	67
EU-CE	50	25	25	50
EU-NSW	40	67	67	50
LAC	67	75	75	25
PAC	0	0	0	0
Average	**46**	**57**	**52**	**43**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.

Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Table 4.5. Providers of data used to prefill tax returns, 2025

Percent of administrations that receive the respective data to prefill tax returns

Region	Online marketplaces (incl. sharing and gig economy)	Other online platforms, e.g. stock trading, currencies (incl. crypto)	Taxpayer accounting systems	E-invoicing systems	Online cash registers	Other government entities	Private entities such as banks and insurance companies
AFR	0	14	43	29	29	57	43
AS-CW	0	0	25	75	50	100	25
AS-ES	40	40	20	50	10	90	60
EU-CE	31	31	62	31	46	69	54
EU-NSW	41	35	41	18	12	88	94
LAC	36	36	36	82	36	64	73
PAC	0	0	50	50	50	50	100
Average	**30**	**30**	**40**	**40**	**27**	**76**	**67**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

The extent to which a return can be prefilled is generally determined by the range of electronic data available to the administration, which comes from a variety of third-party data providers. Table 4.5. highlights that across all regions other government entities are the most common source of data used for prefilling (76%), particularly in Asia and Europe. Data from banks and insurance companies is also widely used (67%), especially in the Pacific Islands, and in North, South and West Europe.

Beyond these main sources, a significant share of administrations also receives data from taxpayer accounting systems and e-invoicing systems, reflecting the growing role of digital business reporting infrastructures in supporting prefilling. E-invoicing systems are a key source of data in Latin America and the Caribbean (82%), as well as in Central and West Asia (75%). Data from online marketplaces, online platforms and online cash registers are less widely used, though this varies across regions.

Box 4.3. Examples – Advances in e-invoicing systems, including prefilling

Benin – Electronic invoicing reform

Benin has undertaken a modernisation of its tax administration as part of a broader effort to strengthen domestic revenue mobilisation and enhance transparency. In response to persistent challenges such as VAT fraud, undeclared transactions, and the strong presence of informal sector activities that erode the tax base, Benin introduced since 2018 a standardised electronic invoicing system as a central pillar of its digitalisation strategy.

This reform requires businesses to issue invoices through certified electronic systems that automatically transmit transaction data to the tax administration, ensuring greater accuracy and real-time oversight.

Key elements of the reform include:

- A central validation platform managed by the tax authority to receive and authenticate invoices.
- Mandatory use of compliant invoicing tools (electronic and physical) for registered businesses.
- Real-time or near-real-time reporting, enabling better VAT monitoring.
- Public awareness and training campaigns to help taxpayers transition to the new system.

Benin introduced electronic invoicing gradually, beginning with large taxpayers through a pilot phase that allowed the administration to refine procedures, solve technical issues, and adjust communication to different groups. The system was then extended to all category of businesses (smaller, medium and large). Throughout the rollout, authorities focused on strong user support, clear guidance on compliance requirements, and close collaboration with software providers to ensure the system functioned smoothly.

Even in its early stages, the reform produced noticeable improvements. VAT compliance increased thanks to the automatic validation of invoices, while fraudulent practices such as manipulation and under-reporting declined. Transaction traceability improved, enhancing trust in the tax system, and outreach efforts helped taxpayers better understand their obligations. Nowadays, all tax returns are filed electronically trough Benin tax management system (SIGIBE).

Importantly, the reform also generated consistent, structured data, opening new opportunities for analytics, risk-based controls, and more effective cross-checking.

Lessons Learned

Benin's electronic invoicing reform faced several challenges. Many small businesses had limited digital skills, and companies unfamiliar with formal invoicing struggled to adapt. The tax administration also had to maintain the system continuously and ensure strong cybersecurity. Despite these obstacles, progress remained steady thanks to strong political commitment and sustained taxpayers support to the reform.

From this experience, several lessons stand out. A gradual rollout made adoption easier, while clear communication and training helped build trust. Keeping the system simple encouraged higher compliance and fewer errors. Collaboration with private software providers strengthened implementation. Overall, the reform shows that despite early difficulties, digitalisation generates lasting benefits in transparency, fairness, and revenue mobilisation. Additionally, electronic invoicing has also enabled several companies to improve their accounting practices.

Chile – Digital VAT compliance: Integrated purchase and sales ledger and pre-filled returns

The Chilean tax administration (SII) has implemented a structural technological initiative aimed at modernising VAT compliance and enforcement. This initiative is built upon an integrated digital architecture that connects the purchase and sales ledger (Registro de Compras y Ventas, RCV) with the proposed pre-filled monthly VAT return.

The purchase and sales ledger, mandatory since 2017, builds upon the prior widespread adoption of Electronic Tax Documents and on automated, standardised platforms capable of processing large volumes of data. Based on the information contained in electronic invoices, receipts, and credit and debit notes, SII automatically and continuously generates taxpayers' purchase and sales records. This eliminates the obligation to maintain physical or electronic accounting books for purchases and sales, significantly reducing administrative burdens and mitigating risks associated with manual record-keeping.

Building on this data infrastructure, since 2017, SII has made available to taxpayers a proposed monthly VAT return, automatically generated from the RCV. This tool incorporates calculation engines, cross-check validations, and consistency controls, enabling the prefilling of the main fields of the return. It promotes a preventive compliance and self-correction approach, facilitating the early identification of inconsistencies prior to formal submission.

From a technological and compliance perspective, the initiative enables the use of advanced analytics, large-scale data matching, and risk segmentation. This enhances the targeting of audit and control actions and strengthens the detection of atypical behaviours or potential VAT evasion schemes.

This approach is aligned with the OECD publications *Tax Administration 3.0* (OECD, 2020[1]) and *Technology Tools to Tackle Tax Evasion and Tax Fraud* (OECD, 2017[5]), which advocate for pre-filled systems, intensive data use, and preventive controls embedded within the filing process.

Key challenges remain, including ensuring data quality at source, achieving accurate tax classification of transactions, and promoting consistent digital adoption across all taxpayer segments. Taken together, the RCV and the proposed VAT return constitute a central pillar of SII's digital transformation strategy.

Colombia – Electronic factoring: The RADIAN central registry model

In Colombia, the electronic invoice has the legal status of a negotiable instrument. Its full lifecycle traceability is ensured through RADIAN (Registro de la Factura Electrónica de Venta como Título Valor), a centralised platform administered by the tax administration (DIAN). RADIAN also records electronic factoring transactions carried out using these instruments.

Key figures (cumulative 2021-2025):

- Authorised users registered in RADIAN: 46 542
- Registered invoices: 6.1 million
- Endorsed invoices: 5.7 million
- Total negotiated amount: COP 131.5 trillion
- Annual negotiated volume as % of GDP: 2.5%

RADIAN enables comprehensive and centralised traceability by consolidating all electronic factoring-related events within a single official platform. This framework ensures legal certainty, uniqueness of records, and ex ante control for issuers, buyers, factors, and trading systems, thereby mitigating operational and fraud risks. Supported by DIAN and its regulatory framework, the model allows for real-time data exchange.

The platform is designed to process factoring transactions automatically. It does not require manual intervention to register operations conducted directly by the invoice issuer or through third parties such as factoring entities, trading platforms, or technology providers, ensuring scalable interoperability across the ecosystem.

The technical and legal framework allows for deeper interoperability and automation through APIs and machine-to-machine communication. This expands access to financing for micro, small, and medium-sized enterprises and aligns the ecosystem with the Tax Administration 3.0 vision as described by the OECD (OECD, 2020[1]).

DIAN is currently developing additional electronic services to enable invoice issuers to share data with authorised third parties in a systematic, traceable, and structured manner through RADIAN. These efforts, combined with regulatory improvements under development and led by the Ministry of Commerce, aim to strengthen the generation of negotiable instruments and further deepen the factoring market.

Côte d'Ivoire – VAT Digitisation and the adoption of electronic invoicing

As part of the modernisation of public administration, the Ivorian Government launched an e government initiative in 2011 the "e Administration Programme." Within this framework, the Directorate General of Taxes (DGI) adopted digital transformation to optimise revenue collection, combat fraud, and simplify procedures, leading to major reforms such as the VAT digitisation in 2022 and the introduction of standardised electronic invoicing in 2025.

Digitization of Value Added Tax (VAT)

Implemented by the DGI since 2022, the "Digitised VAT Administration" module (ADMIN VAT) performs ex-ante controls of VAT deductions claimed in monthly electronic VAT returns. Its primary objective is to ensure that deductible VAT has been properly declared and paid to the public treasury by the supplier or service provider.

The tax administration cross-checks data from its internal systems with information from the customs administration, particularly for imports, as well as with other tax filings. The module applies legal VAT deductibility rules by verifying that the supplier is subject to VAT, that the VAT claimed has been declared and paid upstream, and that deduction deadlines have not expired. Any anomaly automatically results in the rejection of the VAT deduction.

A key benefit of this reform is the enhanced role of taxpayers in VAT control. To preserve their deduction rights, taxpayers are encouraged to verify that suppliers are registered with the DGI and compliant with VAT obligations. Failure to do so may lead to the loss of deduction entitlement.

The reform has significantly increased domestic VAT revenue and its share of government resources. In 2025, VAT collected by customs reached CFAF 1,037 billion (49.9%), while DGI collections totalled CFAF 1,041 billion (50.1%), reversing the trend observed from 2013 to 2023.

Generalisation of the use of standardised electronic invoicing

Introduced in 2025, the generalisation of standardised electronic invoicing represents another major structural reform. It relies on the implementation of the Facturation Normalisée Électronique (FNE) Platform, a public system that allows businesses to issue, certify, and transmit invoices electronically and in real time to the DGI.

The reform aims to ensure full traceability of economic transactions and to strengthen VAT monitoring. As of March 2026, nearly 70 000 enterprises had registered on the platform, with a usage rate of 67% and approximately 19 million invoices issued.

Kenya – Electronic Tax Information Management System (eTIMS)

The KRA's Electronic Tax Invoice Management System (eTIMS) is a software solution designed to support the transmission of tax invoices for purposes of value added tax (VAT) reporting.

The eTIMS system captures and validates VAT invoices in real time at the point of transaction. Through integration with iTax (KRA's domestic tax management system), transaction data from eTIMS is used to auto-populate VAT returns, reducing the need for manual data entry by taxpayers. Output VAT is pre-filled based on issued invoices, whilst input VAT claims are validated against supplier-declared invoices in the system.

This approach shifts compliance from post-filing audits to transaction-level assurance, minimising errors and fraudulent claims. The automation improves data accuracy, enhances transparency, and accelerates refund processing through verified invoice trails. It also reduces compliance costs for businesses by simplifying the return preparation process.

Overall, the initiative demonstrates how digital integrations and real-time reporting can embed compliance into the tax ecosystem while strengthening revenue integrity.

Malaysia – MyInvois system

The Inland Revenue Board of Malaysia (IRBM) is implementing e-invoice as part of the nation's digital transformation agenda. This initiative modernises tax administration, strengthens compliance, and reduces the tax gap by introducing a centralised, automated invoicing system. Through near real-time

validation, e-invoice enhances transparency, minimises tax evasion, and improves enforcement across the tax ecosystem.

The system simplifies invoicing by reducing manual processes and errors, streamlining tax return filing, and supporting digital financial reporting aligned with international standards. Businesses benefit from improved operational efficiency, faster processing, and audit readiness, while tax authorities gain better visibility and data accuracy.

Implementation follows a phased approach, starting on 1 August 2024 and gradually expanding to all taxpayers by January 2026. The MyInvois platform comprising a portal, a mobile app, and a free electronic Point-of-Sale (e-POS) system for micro and small enterprises enables seamless e-Invoice generation, submission, and integration with business systems. Features such as QR codes for auto-filling buyer details and TIN search enhance convenience and accuracy. Four document types are supported: invoice, credit note, debit note, and refund note.

The legal framework, established through the Income Tax (Issuance of Electronic Invoice) Rules 2024, mandates e-invoice issuance and outlines penalties for non-compliance. Security is prioritised through encryption, authentication, and ISO-certified standards. Adoption is growing rapidly, with over 979 million e-invoices issued by 3 February 2026.

IRBM is actively promoting the MyInvois system to increase compliance for all taxpayers by 2026. Current developments include leveraging e-Invoice data for advanced analytics and implementing upgrades to enable pre-filled tax returns, reinforcing IRBM's commitment to a transparent, efficient, and digitally empowered tax ecosystem.

Peru – Electronic invoicing and factoring

The Peruvian tax administration (SUNAT) remains committed to strengthening tax compliance and reducing the costs associated with this process. To that end, it promotes actions aimed at managing compliance risks through solutions that generate added value and deliver positive impacts for taxpayers and customs users.

Within this framework, the government established measures to promote financing for micro, small and medium-sized enterprises (MSMEs), entrepreneurs, and startups. The measures introduced mechanisms to facilitate access to capital through the commercialisation of electronic payment vouchers as negotiable instruments. Under this regulation, electronic invoices and electronic fee receipts issued on credit must state without admitting evidence to the contrary and as of the date of issuance the agreed payment term and the outstanding net amount.

As part of this policy, in December 2021 SUNAT implemented the "Conformity Platform," enabling purchasers to validate electronic invoices in a secure and efficient manner. This functionality has been instrumental in boosting the factoring market:

- Once eight days have elapsed after an invoice acquires "conformed" status, it becomes eligible to be converted into a negotiable invoice and traded through the Central Securities Register and Depositary of Peru (CAVALI).
- For MSMEs, this translates into immediate liquidity.
- It significantly reduces traditional waiting periods, which previously ranged from three to four months.
- By the end of 2025, more than 89 million invoices had been confirmed and approximately PEN 53 billion had been negotiated, representing a 22% increase compared to 2024.

These results consistent with the figures reported by CAVALI consolidate an ecosystem that promotes business liquidity and strengthens financing opportunities for small and medium-sized enterprises across Peru.

Sources: Information provided by Benin (2026), Chile (2026), Colombia (2026), Côte d'Ivoire (2026), Kenya (2026), Malaysia (2026) and Peru (2026).

Data sharing

Data sharing – within tax administrations, across government, and with third parties – is a core component of digital transformation. Well-designed data-sharing frameworks can significantly reduce administrative burdens for taxpayers and citizens, while enabling tax and other government processes to become more integrated, efficient, and seamless over time.

Many governments are moving towards the implementation of the once-only principle, under which individuals and businesses provide information only once to a public authority, after which it can be securely shared among other government agencies and reused for multiple purposes. Tax administrations play a central role in this ecosystem, as they typically hold up-to-date information on identity, income, and accounts, manage payment flows, and already operate large-scale information exchange mechanisms with third parties.

Data sharing internally and within government

For many tax administrations the 'collect once, use many times' approach starts internally with 80% of them having an enterprise data management system that allows taxpayer information to be viewed across the administration. All administrations in the Central and West Asia region have such systems, followed by Latin America and the Caribbean and North, South and West Europe with around 90%, see Table 4.6.

Table 4.6. also shows that more than 80% of administrations share bulk information with other government agencies (or even provide them with direct access to information) and / or receive bulk information from other government agencies or have direct access to information they hold. In Latin America and the Caribbean all administrations have such arrangements in place, followed by Europe and Central and West Asia. Moving away from data silos both within and across government agencies will significantly reduce burdens and will enable taxation processes and other government procedures to become more seamless for citizens and businesses.

Table 4.6. Data sharing internally and within government, 2025

Percentage of administrations with the respective process in place by region

Region	Enterprise data management system that allows taxpayer information to be viewed across the administration exists	Sharing data with other parts of government	
		Administration shares bulk information with other government agencies or provides them with direct access to information	Administration receives bulk information from other government agencies or has direct access to information other government agencies hold
AFR	71	65	77
AS-CW	100	89	89
AS-ES	75	75	95
EU-CE	79	100	93
EU-NSW	90	90	95
LAC	94	100	100
PAC	25	50	50
Average	**80**	**83**	**89**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Beyond information sharing among public agencies, many economies have begun developing common cross-government databases to support more integrated data use. As shown in Table 4.7., 55% of administrations report the existence of such databases, particularly in Central and East Europe and Latin America and the Caribbean. These shared data infrastructures can simplify access to authoritative information, help ensure that public agencies work with up-to-date data, and reduce reporting burdens by enabling citizens and businesses to provide information only once.

Where common databases exist, they most frequently cover core registries, including population, property, business and motor vehicle registers. On average, cross government business registers are the most common overall (81%), followed by population (78%) and property registers (76%). Also, in some regions, certain types of cross government registers are in place in all economies that reported the existence of such databases, for example, property registers in Africa or population registers in Central and East Europe.

Table 4.7. Common cross government databases, 2025

Percentage of administrations with the respective process in place by region

Region	Common cross government databases exist	If yes, types of databases				
		Population register	Property register	Business register	Motor vehicle register	Other
AFR	29	80	100	80	100	0
AS-CW	44	75	50	75	50	50
AS-ES	50	80	60	80	70	30
EU-CE	79	100	91	100	91	64
EU-NSW	68	85	85	92	85	54
LAC	75	67	83	58	58	50
PAC	0	0	0	0	0	0
Average	**55**	**78**	**76**	**81**	**71**	**44**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Box 4.4. Mauritius – Data management and cross-government data sharing

The MRA has implemented a robust data management strategy anchored on the principle of "collect once, use many times." Internally, MRA leverages its core tax system, an integrated Data Management System, and Business Warehouse to consolidate taxpayer and third-party data into a single repository. This unified system eliminates silos, ensures accuracy, and provides a 360-degree taxpayer view, enabling targeted audits, risk-based compliance, and improved decision-making. Strict access controls safeguard sensitive information while enhancing operational efficiency.

Beyond internal integration, MRA participates in cross-government data sharing through the Mauritius InfoHighway, a national platform designed to enforce the Once-Only Principle. This infrastructure enables real-time, secure data exchange between agencies without storing data in transit, ensuring integrity and immediacy. Key data sources include civil status records, vehicle registration details, and corporate registration information. These integrations allow MRA to automate validations, accelerate service delivery, and support evidence-based policymaking.

The InfoHighway operates under a Publish-Subscribe model with multi-layered security and governance, reducing administrative burdens and generating cost savings. Additionally, legislation empowers MRA to request supplementary data – such as building permits, property transfers, and major procurement transactions – from other institutions. These datasets feed into business intelligence reports for compliance monitoring and predictive analytics.

By consolidating data and enabling secure sharing, MRA is transitioning from traditional audits to data-driven compliance strategies, supporting government social programmes and improving taxpayer services. This initiative strengthens Mauritius's capacity to leverage data for efficient, transparent, and citizen-centric tax administration.

Source: Information provided by Mauritius (2026).

Data sharing with non-government third parties

In addition to sharing data within government, administrations are also increasingly sharing individual taxpayer data with non-government third parties, for example, to improve the collection of withholding taxes.

As shown in Table 4.8., data sharing is most commonly undertaken with tax intermediaries and financial institutions, each reported by 30% of administrations. Data sharing with employers, withholding agents and other third parties is less common. Administrations from Europe report the highest levels of data sharing with non-government third parties. Additional information as to whether the data sharing is done automatically, or if data sharing is initiated by the taxpayer can be found online in the ITTI database (OECD et al., 2025[2]).

Table 4.8. Data sharing with non-government third parties, 2025

Percentage of administrations with the respective process in place by region

Region	Employers	Withholding agents	Tax intermediaries	Financial institutions	Other third parties
AFR	12	12	12	24	18
AS-CW	11	22	33	22	0
AS-ES	5	10	10	10	11
EU-CE	29	36	36	50	36
EU-NSW	47	32	68	42	21
LAC	13	25	6	38	25
PAC	13	25	38	13	25
Average	**20**	**22**	**30**	**29**	**21**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Box 4.5. Ukraine – Digital tax debt collection through electronic interaction with payment service providers

The State Tax Service of Ukraine has introduced a digital mechanism for electronic interaction with banks and other payment service providers to enforce the collection of tax debt from taxpayers' accounts. The goal is to replace the paper-based, slow and labour-intensive procedure with a fully electronic, transparent and fast process of following the debt at all stages of its collection and recovery.

Previously, the exchange of paper-based documents for debt collection, between tax authorities, the treasury and the banks involved long processing times (up to a month) and a significant workload for debt officers. There was also no possibility of operational monitoring, and the procedure had low efficiency due to the limited validity periods of payment orders.

The new mechanism is built on end-to-end electronic data exchange between the State Tax Service, the Treasury, the banks and the national payment system. An accounting of debt amounts subject to collection is structured and based on decisions of tax authorities and courts allowing the newly developed system to automatically generate and send electronic payment orders without manual intervention.

The new process allowed for a reduction of the process execution time from one month to one day, the ability to track the status of payment orders, and an increase in collection efficiency by almost 4 times.

In the first 4 months of the system's rollout, about 5 million orders were generated, more than 25 thousand debtors were managed, and more than UAH 0.5 billion was collected. The digitalised tax debt collection system reduced paper turnover, administrative burden, and ensured transparency and real-time control of tax arrears.

Source: Information provided by Ukraine (2026).

With tax administrations holding vast amounts of structured data, it is no surprise that certain stakeholders have an interest to access such information for analytical purposes, such as for research and statistical projects. To protect taxpayer privacy and confidentiality such data is anonymised.

As illustrated in Table 4.9., almost two thirds of administrations share anonymised taxpayer data on a confidential basis with third parties for analytical purposes. Across regions, the highest adoption of this approach is found in Latin America and the Caribbean (81%), followed by Europe (over 70%).

In terms of the type of third parties that receive anonymised taxpayer data, statistics offices are the most common recipients with just over 80% of administrations sharing data with them, reaching 100% in several regions, including Africa and the Pacific Islands.

Academic and research institutions are also frequent recipients, with just over half of administrations sharing anonymised data for research purposes, the highest share is in Africa, where nearly 82% of those administrations that share data for analytical purposes report doing so with academic partners.

Central banks and International Organisations receive data in several regions, most notably in the Pacific Islands (75%) and Africa (73%) as well as Latin America and the Caribbean (85% in relation to Central Banks).

Table 4.9. Data sharing with third parties for analytical purposes, 2025

Percentage of administrations with the respective process in place by region

Region	Anonymised taxpayer data shared on a confidential basis with third parties for analytical purposes	If yes, types of third parties that received anonymised taxpayer data				
		Statistics office(s)	Central / national bank	International organisations	Academic / research institutions	Other
AFR	65	100	73	73	82	36
AS-CW	40	100	0	0	0	25
AS-ES	50	60	20	30	40	30
EU-CE	71	40	10	30	60	40
EU-NSW	79	100	20	7	47	27
LAC	81	77	85	39	46	46
PAC	50	100	75	75	50	75
Average	**64**	**81**	**41**	**35**	**51**	**38**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Box 4.6. Guatemala – Promoting open data

In April 2025, SAT launched the tax statistics platform SATData+. The platform features a strategic design that facilitates data access and analysis through dynamic tools and interactive visualisations, enabling self-service access to detailed information on Guatemala's tax system for both public and private stakeholders.

SATData+ represents a significant milestone in the modernisation of tax administration in Guatemala and reflects the institution's commitment to digital transformation and to enhancing efficiency and transparency in services provided to taxpayers.

Source: Information provided by Guatemala (2026).

Data analytics

Data analytics has become an integral part of modern tax administration, supporting both day-to-day operations and strategic decision-making. By systematically analysing large and diverse datasets, tax administrations can improve the efficiency and effectiveness of their core functions, while also identifying new opportunities to enhance compliance and service delivery. In particular, data analytics can support risk assessment, compliance management, and audit selection by identifying patterns, trends, and anomalies in taxpayer behaviour. These capabilities strengthen the ability of tax administrations to detect and prevent tax fraud and non-compliance, while enabling more targeted and proportionate interventions.

As shown in Table 4.10., two thirds of administrations have big data capabilities in place, including the necessary people, skills and infrastructure. Complementing these capabilities, around three-quarters (74%) of administrations rely on enterprise-wide business intelligence and visualisation tools, and close to 40% of administrations use analytics for real-time tax fraud detection and prevention.

Big-data capabilities are strongest in North, South and West Europe (90%), Central and West Asia (80%), and Latin America and the Caribbean (75%). These regions also record the highest uptake of real-time analytics for tax-fraud detection and prevention. By contrast, the adoption of enterprise-wide business intelligence and visualisation tools is more widespread overall.

Table 4.10. Data analytics: Selected features, 2025

Percentage of administrations with the respective process in place by region

Region	Big data capabilities with the necessary people, skills and infrastructure exist	An enterprise-wide Business Intelligence and Visualisation tool is used	Analytics used for real-time tax fraud detection and prevention
AFR	59	77	18
AS-CW	80	80	60
AS-ES	55	56	15
EU-CE	64	86	50
EU-NSW	90	84	63
LAC	75	94	56
PAC	13	13	13
Average	**67**	**74**	**39**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

The availability of appropriate capabilities, skills and infrastructure is a critical enabler of effective data use. Building on these capabilities, many tax administrations report using big data for a range of analytical purposes. Where they do not have such capabilities in-house, they may use external parties, such as consultants, to assist with such analysis.

As illustrated in Table 4.11., use of big data for analytical purposes is widespread, with 72% of administrations reporting its use. Adoption is highest in Central and West Asia (100%), followed by Europe and Latin America and the Caribbean, where levels range between 75% and 86%.

The most common use cases include improving compliance (91%). Big data is also used for identifying trends (77%) and to support revenue forecasting (65%) and policy forecasting (51%), reflecting its growing role in informing both operational and strategic decision-making. In addition, just over 55% of administrations use AI as part of their big data analysis, highlighting the increasing integration of advanced analytical techniques into tax administration practices.

Table 4.11. Use of big data for analytical purposes, 2025

Percentage of administrations with the respective process in place by region

Region	Big data used for analytical purposes	If yes, …						
		Big data use cases						AI / machine learning used as part of the big data analysis
		Improve compliance	Identify trends	Policy forecasting	Revenue forecasting	Provide new services	Other purposes	
AFR	65	91	73	73	64	36	27	55
AS-CW	100	90	70	20	50	40	0	30
AS-ES	56	100	64	55	82	36	9	82
EU-CE	86	67	67	50	75	67	42	50
EU-NSW	79	93	50	53	60	53	20	80
LAC	75	100	92	50	67	33	25	33
PAC	38	100	100	67	67	67	67	0
Average	**72**	**91**	**77**	**51**	**65**	**47**	**22**	**56**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Box 4.7. Examples – Data analytics

Azerbaijan – TaxesBI as an advanced reporting tool

The STS introduced TaxesBI an advanced reporting tool to strengthen data analysis, reporting, and decision-making. The system generates both simple and complex reports based on data stored in tax information systems, providing users with flexible access to structured and analysable data.

Electronic invoices submitted and received by taxpayers are processed using AI. Neural network models automatically identify whether an entry represents a good or a service, and classify goods into 50 predefined categories. An AI-based text processing system assigns master categories and subcategories, based on product descriptions, ensuring standardisation of inconsistent naming, improved data quality, structured analytical usability, and reduced manual intervention. The system also detects unidentified or improperly described product names recorded in cash receipts and invoices, allowing for further compliance review.

TaxesBI enables users to generate:

- **Simple analytical reports** - structured data presented through user-friendly dashboards.
- **Complex AI-assisted reports** - incorporating preliminary AI-driven analysis to detect risky transactions, mismatches between purchases and sales, daily sales without corresponding acquisitions, and potential anomalies in turnover patterns.

These reports support risk-based tax oversight and proactive compliance monitoring.

Beyond traditional reporting, TaxesBI incorporates behavioural and anomaly detection algorithms applied to cash register data, enabling detection of anomalous activity, activity type inference, and identification of unclassified poduct entries.

A key analytical feature of TaxesBI is turnover behaviour modelling based on seasonal patterns and peer comparison. Analytical models also detect taxpayers who may artificially adjust turnover levels to remain below VAT registration thresholds, with stabilisation patterns around regulatory limits automatically identified and assessed.

By combining structured business intelligence reporting with AI and behavioural analytics, TaxesBI strengthens analytical capacity within tax administration, enhances automated risk detection, improves data consistency and transparency, enables sectoral and behavioural benchmarking, and supports evidence-based decision-making.

CIAT – The "Electronic Invoicing Anomaly Detector"

Within the framework of its Advanced Analytics Center, the Inter-American Center of Tax Administrations (CIAT) developed the Electronic Invoicing Anomaly Detector as a collaborative initiative involving seven member jurisdictions, with technical support from a private sector company. This solution, made available as an open-source tool at no cost to tax administrations, has been implemented in jurisdictions such as Costa Rica and Guatemala. It integrates advanced AI technologies based on unsupervised algorithms for the analysis of electronic invoicing data.

The module is flexible and adaptable to different legal frameworks and institutional contexts. It is designed to process large volumes of electronic invoicing data, with a recommended minimum dataset of one million records to ensure reliable pattern detection. Using unsupervised machine learning algorithms, the system identifies atypical behaviours within the data, such as non-existent or simulated transactions, irregular invoicing volumes, and other patterns that fall outside expected ranges.

The technological architecture is built for distributed processing in cloud environments, with data stored in a format that optimises efficiency and scalability. Processing runs are executed simultaneously in the cloud, and results can be visualised through dedicated data visualisation tools.

As an open-source solution, it does not require licensing processes or procurement contracts, which facilitates adoption, customisation, and continuous improvement by tax administrations. This development represents a concrete application of advanced analytics supported by AI technologies, contributing to the digital transformation of tax administrations and to more effective risk analysis in electronic invoicing systems.

Malta: Use of an advanced analytics solution for compliance risk management

The MTCA sought to enhance the effectiveness of its compliance risk management processes after identifying data quality challenges that hindered timely and consistent detection outcomes. These issues underscore the need for a more coherent approach to data governance and for strengthening analytical capabilities in support of MTCA's wider digital transformation objectives.

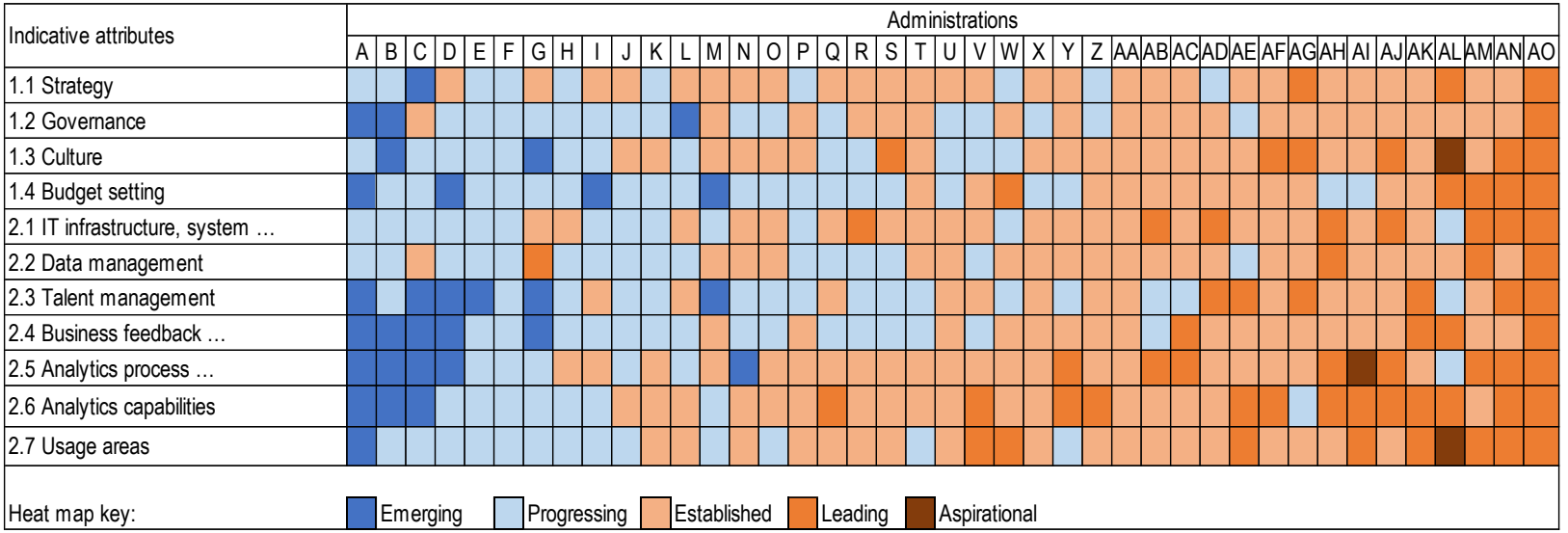
To address this, MTCA launched an initiative to implement an advanced analytics solution supplied and supported by a third-party provider, designed to reinforce and modernise the administration's risk management framework. This initiative included establishing a structured data governance and data quality framework to support more reliable information flows across tax types, strengthened through systematic data exploration and quality checks progressing within project streams. MTCA also initiated the development of enhanced analytical components such as segmentation, forecasting and improved rule-based detection, to generate deeper behavioural insights and better target compliance risks. These efforts required close collaboration with the Malta Information Technology Agency, the public entity responsible for providing ICT infrastructure, systems and digital services to the government, ensuring the availability of data and technical environments essential for implementation.

The initiative has strengthened MTCA's analytical foundation and is supporting a more modern and proactive compliance model aligned with international developments. It has also fostered stronger cross-departmental collaboration and a growing culture of shared data ownership within MTCA. As implementation continues, the solution is enabling more structured, timely and reliable compliance interventions, laying the groundwork for a future where tax processes operate more seamlessly within a connected digital ecosystem.

Sources: Information provided by Azerbaijan (2026), CIAT (2026) and Malta (2026).

Understanding the importance of the use of analytics, the OECD's Forum on Tax Administration (FTA) developed the *Analytics Maturity Model* (OECD, 2022[6]) to help tax administrations self-assess their current level of maturity in their analytics usage and capability. The model, which is available in English, French and Spanish, provides insight into tax administration's current status by identifying areas of weaknesses as well as strengths. As Figure 4.3. shows, it has been completed by over 40 tax administrations, and the results of this are guiding and supporting administrations in their analytics strategies.

Figure 4.3. Analytics Maturity Model self-assessments results



Source: OECD (2022), Analytics Maturity Model, https://www.oecd.org/content/dam/oecd/en/topics/policy-issues/tax-administration/analytics-maturity-model.pdf (accessed on 15 June 2026).

Innovations

Given the growing importance of data in tax administration, and the need to keep pace with rapid technological change, tax administrations are increasingly exploring new and innovative approaches to how data are stored, managed and used. These approaches aim to enhance analytical capabilities, improve operational efficiency, and support more flexible and scalable data management practices.

Table 4.12. illustrates a range of innovative techniques, with Network analysis being the most widely reported approach, used by 56% of administrations. This is followed by cloud storage and machine learning, each reported by slightly over 45% of administrations.

Across the regions, North, South and West Europe show the highest adoption of advanced data-management approaches overall, followed by Central and West Asia and Latin America and the Caribbean.

Table 4.12. Innovative approaches used as part of data management activities, 2025

Percentage of administrations with the respective process in place by region

Region	Cloud storage	Robotic process automation	Machine learning	Network analysis	DataOps approach
AFR	24	18	18	41	41
AS-CW	56	78	56	44	33
AS-ES	45	40	40	45	35
EU-CE	36	36	36	43	57
EU-NSW	47	53	53	74	79
LAC	63	31	38	69	31
PAC	50	0	0	13	38
Average	**47**	**38**	**46**	**56**	**26**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Box 4.8. Chinese Taipei – Hybrid cloud e-invoice architecture

The E-Invoice Integration Service Platform leverages a sophisticated hybrid cloud infrastructure - combining public cloud, private cloud, and edge devices such as smartphones and point-of-sale (POS) systems - to facilitate a paperless invoicing ecosystem. By enabling merchants to issue digital invoices and allowing consumers to store records on mobile carriers, the platform establishes a high-efficiency, low-carbon computing model.

With an average volume of 10 billion e-invoices annually, the platform utilises a containerised architecture to maintain high scalability and cost-effectiveness. This hybrid approach integrates private and public cloud resources, allowing for the dynamic allocation of computing and storage. Consequently, the system can seamlessly adjust to peak traffic demands, ensuring the stability of critical digital services.

From a technical perspective, the platform employs a microservices architecture, decomposing applications based on specific business attributes. By packaging these services into containers, the system achieves rapid deployment and consistent performance across both primary private data

centres and the public cloud. This allows for the adaptive distribution of workloads - such as public inquiries and high-volume invoice uploads - based on real-time demand, significantly enhancing system resilience.

Furthermore, the platform's public cloud components operate on data centres powered by renewable energy, directly supporting ESG (Environmental, Social, and Governance) sustainability goals. This transition to a digital, resilient infrastructure is estimated to reduce carbon emissions by at least 1.3 million tons annually, providing a robust and sustainable model for modern smart government services.

Source: Information provided by Chinese Taipei (2026).

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Note

[1] The OECD report Tax Administration 3.0 and Electronic Invoicing: Initial Findings (OECD, 2022[7]) contains information on electronic invoicing systems and some considerations that administrations exploring possible implementation or reform of such systems may wish to take into account.

5 Tax rule management and application

This chapter looks at advances in tax rule management, including the use of assurance frameworks to validate the integration of tax rules into third party products and systems, the automation of registration processes, and the role of artificial intelligence.

Machine-readable tax law

Central to the future vision of tax administration as described in the 2020 report *Tax Administration 3.0: The Digital Transformation of Tax Administration* (OECD, 2020[1]), is a shift away from tax rules and calculations being executed within the tax administration's own IT environment, towards embedding tax rules and relevant information for tax processing directly into taxpayers' natural systems. Under this model, compliance is increasingly designed into business processes, enabling tax obligations to be calculated, reported, and in some cases settled automatically at the source. This approach is already well-established in many economies through PAYE systems, where payroll software integrates tax rules directly into employers' payroll processes.

Given the inherent complexity of tax systems, tax administrations are increasingly leveraging technology to simplify administration and improve accuracy. One important development in this context is the use of machine-readable law, whereby legislation is translated into a structured, standardised digital format that can be processed by software used in taxpayers' natural systems. This enables automated tax calculations, real-time or near-real-time compliance checks, and seamless integration with accounting, payroll, and financial systems.

When applied in appropriate cases, machine-readable tax rules can enhance transparency, reduce errors, and improve taxpayer services, while also enabling faster and more consistent implementation of legislative and policy changes. By reducing ambiguity and limiting divergent interpretations, they can also help mitigate risks associated with inconsistent or uncertain application of tax law.

As can be seen in Table 5.1., economies are at different points regarding the use of machine-readable tax law, with one third indicating that they publish all tax laws in machine-readable format and 14% indicating that they do this for some tax laws. The highest adoption is seen in Latin America and the Caribbean, where 63% of economies publish all tax laws in machine-readable form, followed by Central and West Asia (60%). Those figures seem very high and might be a result of how administrations completing the underlying survey interpreted the question. Future work will need to confirm this.

Table 5.1. Machine-readable tax law, 2025

Percentage of economies with the respective process in place by region

	Tax law is published in machine-readable format		
Region	Yes, for all tax laws	Yes, for some tax laws	No
AFR	35	12	53
AS-CW	60	10	30
AS-ES	20	20	60
EU-CE	36	7	57
EU-NSW	11	26	63
LAC	63	6	31
PAC	25	13	63
Average	**32**	**14**	**54**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Box 5.1. Sweden – Rules as Code concept

The Swedish Tax Agency (STA) has explored how the Rules as Code concept can be applied to facilitate tax compliance for small to medium sized businesses.

The STA now provides a technical solution that creates opportunities for business system developers to enable legal guidance in their systems. The STA creates rule-based machine-readable files, as well as written specifications in different areas of tax specific legislation supplied as open data. When used together with a rule engine, the rule files combined with existing data in the business system could create a more automated compliance process.

A key element of this work is that STA only makes the rule files available for use, and is not obliged to develop any application or services of its own. The internal work process enables legal experts within the STA to independently create rule files and make them publicly available without the need to involve technical assistance. This is made possible by the development of a rule editor that the experts can use to convert decision trees into machine readable code. To date, the STA has made rule files and specifications in three different legal areas as well as an Application Programme Interface available for use.

The concept, even though already available and in production, is still in a development phase and continuously improving with feedback from business system developers.

Source: OECD (2024), Tax Administration 2024: Comparative Information on OECD and other Advanced and Emerging Economies, https://doi.org/10.1787/2d5fba9c-en.

Assurance frameworks

Alongside technological advancements and the widespread use of digital tools, a growing number of third parties are developing software products that support tax compliance, reporting, and calculation. While these products play an increasingly important role in modern tax administration, their use also introduces new risks related to consistency, accuracy, security, and trust. To address these risks, many tax administrations have established assurance frameworks or similar mechanisms.

These frameworks are designed to provide confidence that third-party software applies tax rules correctly, consistently, and in line with administrative and legal requirements, producing outputs that can be relied upon or accepted by the tax administration. Assurance mechanisms can also support taxpayers and intermediaries in selecting appropriate software products and help maintain a level playing field among providers.

As can be seen in Table 5.2., 29% of administrations have a dedicated assurance framework with the highest percentage being in Africa (50%) and Latin America and the Caribbean (44%). The vast majority of those that do not have a framework have implemented other mechanisms to ensure that third-party software packages incorporate tax rules correctly:

- 62% of administrations provide technical documentation to enable product development by software providers. Providing technical documentation to software developers is most widespread in Europe, followed by the Latin America and the Caribbean.
- 58% of administrations implement controls around the authorisation and validation of information sent or received from those software products, notably high in Latin America and the Caribbean.

- 20% of administrations require software providers to follow a software development cycle, particularly in Africa (50%) and the Pacific Islands (43%).

Table 5.2. Assurance frameworks, 2025

Percentage of administrations with the respective process in place by region

Region	Assurance framework exists that allows 3rd parties to incorporate tax rules in their software packages and deliver outputs based on those rules that are accepted by the tax administration	Types of approaches taken by the administration where an assurance framework does **not** exist				
		Administration provides technical documentation to enable product development by software providers	Administration enforces a software development lifecycle that a software provider must follow to meet set requirements	Administration implements controls around authorisation and validation of information sent / received	Other approaches	No approach
AFR	50	14	50	14	29	50
AS-CW	22	57	0	57	0	29
AS-ES	35	39	23	39	15	31
EU-CE	21	91	9	64	9	9
EU-NSW	37	75	8	59	17	17
LAC	44	78	33	78	0	22
PAC	13	57	43	57	14	29
Average	**29**	**62**	**20**	**58**	**10**	**22**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Trustworthy, reliable, and secure software is essential to maintaining confidence in automated tax processes. As part of this, some tax administrations are increasing transparency by publishing lists of approved, certified, or recognised software products, as well as clear criteria for assurance.

Table 5.3. shows that overall, close to one third of administrations publish names of approved or recognised software products (31%) and / or maintain a corresponding register (32%). Where registers exist, the majority are public, although this varies by region. Central and West Asia shows the highest percentages among the regions, at 50% for both measures.

As regards the approval or recognition process for publishing the names of software products or for including them in a register, on average, certification by the tax administration is the most common approach (67%), particularly in Africa, Est and South Asia and Latin America and the Caribbean.

Other mechanisms, such as certification by another government body, are used less frequently, see Table 5.3. In addition, some administrations reported using other mechanism for approving or recognising software products, see the *Inventory of Tax Technology Initiatives* (OECD et al., 2025[2]).

Table 5.3. Approved or recognised software products, 2025

Percentage of administrations with the respective process in place by region

Region	Names of approved or recognised software products published	Register of approved or recognised software products maintained		If yes, type of approval or recognition process			
		Register exists	If yes, register is public	Certification by the administration	Certification by another government body	Administration endorsement of a private certification process	Self-declaration with administration conducting random checks
AFR	18	24	75	100	0	25	25
AS-CW	50	50	80	40	20	20	40
AS-ES	40	30	100	86	0	14	14
EU-CE	29	29	50	50	75	25	25
EU-NSW	26	26	60	40	20	0	20
LAC	25	38	67	83	17	0	0
PAC	25	25	50	50	0	50	50
Average	**31**	**32**	**74**	**67**	**17**	**17**	**19**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Automated registration and deregistration

Taxpayer registration and identification are foundational components of an effective tax system. They support compliance, enhance transparency and trust, and, in some cases, enable access to wider public services, benefits, or grants. Accurate and timely registration data underpins core tax administration activities, including assessment processes, withholding regimes, and third-party reporting and data matching.

Automating registration and deregistration processes, or parts of thereof, at key moments in the taxpayer lifecycle – such as the creation of a business, entry into employment, or registration as a seller on a gig or sharing-economy platform – can significantly reduce administrative burdens for taxpayers and businesses. Automation can also increase efficiency and data accuracy by reducing manual interventions and duplication, while ensuring that taxpayers are brought into the system at the appropriate time.

When supported by strong data governance and inter-agency data sharing arrangements, automated registration processes can improve compliance outcomes and reinforce trust in the tax system. Safeguards are essential to ensure that automation is transparent, lawful, and responsive to changes in taxpayers' circumstances.

Table 5.4. illustrates that around 60% of tax administrations can automatically register taxpayers based on data received from third parties, while 39% can also automatically deregister taxpayers. The highest levels are observed in North, South and West Europe, where around 70% of administrations automatically register and deregister taxpayers. Some tax systems go further and allow third parties to automatically register or deregisters taxpayers. However, in most cases this must be with taxpayer consent.

Table 5.4. Automated registration and deregistration of taxpayers, 2025

Percentage of administrations with the respective process in place by region

Region	Based on data received from third parties, administration automatically		Third party stakeholders can automatically …			
			Register taxpayers …		Deregister taxpayers …	
	Registers taxpayers	Deregisters taxpayers	Without taxpayer consent	Only with taxpayer consent	Without taxpayer consent	Only with taxpayer consent
AFR	47	41	0	18	0	0
AS-CW	60	50	0	30	0	10
AS-ES	50	20	0	20	0	10
EU-CE	57	43	7	29	7	29
EU-NSW	74	68	5	26	0	21
LAC	44	44	6	25	6	19
PAC	0	0	0	13	0	13
Average	**60**	**39**	**3**	**23**	**2**	**15**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Third-party withholding

Withholding regimes are a powerful tool for supporting overall tax compliance while significantly reducing administrative burdens for large numbers of taxpayers. This is particularly effective where taxpayers are not required to undertake post-payment adjustments, for example when the withholding is final or accurately reflects the taxpayer's individual tax position.

Effective withholding often relies on third parties, such as employers, financial institutions, or digital platforms, applying the correct tax treatment at the time of payment. To do so accurately, these parties may need timely and reliable information on changes in taxpayers' individual tax circumstances, such as tax rates, thresholds, or eligibility for reliefs. This highlights the importance of secure, well-governed data flows between tax administrations and withholding agents.

As can be seen in Table 5.5., only 15% of tax administrations are providing such information on an automatic basis. The highest uptake is found in North, South and West Europe (26%) and Latin America and the Caribbean (25%).

Where such arrangements are in place, third parties most commonly calculate withholding based on the individual tax position of the taxpayer (around 63%), rather than applying a flat tax rate. Withholding under these arrangements is primarily driven by legislative requirements, reported by nearly all administrations that provide automated information, while voluntary arrangements play a more limited role.

Table 5.5. Third party withholding of taxes, 2025

Percentage of administrations with the respective process in place by region

Region	Administration automatically provides information on changes to taxpayer's individual tax positions to third parties to facilitate withholding of taxes	If yes, …			
		Third parties calculate the withholding based on		Withholding is done as a result of	
		A flat tax rate	The individual tax position	Legislative requirements	Voluntary arrangements
AFR	6	0	100	100	0
AS-CW	20	100	0	50	50
AS-ES	10	50	50	100	0
EU-CE	14	100	0	100	0
EU-NSW	26	20	80	100	0
LAC	25	0	100	100	0
PAC	0	0	0	0	0
Average	**15**	**38**	**63**	**94**	**6**

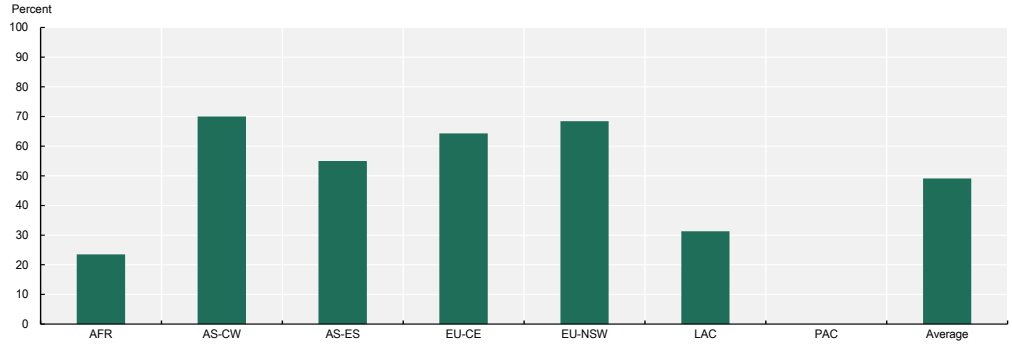
Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Artificial intelligence

AI is being increasingly adopted by tax administrations to improve both the effectiveness and efficiency of administrative operations, notably in areas such as compliance risk management. At the same time, AI is supporting enhancements in taxpayer services by enabling more timely, real-time, and personalised interactions, helping tax administrations better tailor processes and communications to taxpayers' individual circumstances. The data from the *Inventory of Tax Technology Initiatives* shows that nearly 49% of tax administrations use AI (OECD et al., 2025[2]), see Figure 5.1.

Figure 5.1. Use of artificial intelligence, 2025

Percentage of administrations with the respective process in place by region



Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

StatLink https://stat.link/fqvra4

There are a range of uses for AI by tax administrations, as can be seen in Table 5.6. The most common is using AI to detect tax evasion and fraud, which is done by 74% of tax administrations. Other common use cases include AI as part of risk assessment processes (70%), virtual assistants (57%) as well as aiding officials in making administrative decisions (49%) and making recommendations for actions (45%).

Across regions, and in relation to administrations that use AI, Africa reports some of the broadest use across functions, with high adoption in risk assessment and fraud detection, followed by North, South and West Europe and Asia. Administrations from the Pacific Islands did not report any use of AI.

Less common uses of AI include automated provision of personalised information to stakeholders, ensuring the integrity of tax administration systems/processes, and dispute resolution. Some administrations reported using other approaches for software-product approval mechanisms, see the *Inventory of Tax Technology Initiatives* (OECD et al., 2025[2]). The survey underlying the inventory also asked whether administrations use AI to make final administrative decisions, but none indicated that AI is used in this way.

Table 5.6. Artificial intelligence: Main use cases, 2025

Percentage of administrations that use artificial intelligence and have the respective process in place by region

Region	Automated provision of personalised information to stakeholders	Virtual assistants	Risk assessment processes	Detection of tax evasion and fraud	Assistance of tax officials in making administrative decisions	Making recommendations for actions	Dispute resolution	To ensure the integrity of tax administration systems / processes
AFR	25	50	100	75	75	50	25	25
AS-CW	14	57	71	57	29	43	14	29
AS-ES	36	73	55	73	63	64	0	0
EU-CE	0	33	67	56	11	11	11	11
EU-NSW	8	62	77	85	69	62	0	0
LAC	0	60	80	80	40	0	0	20
PAC	0	0	0	0	0	0	0	0
Average	**15**	**57**	**70**	**74**	**49**	**45**	**9**	**21**

Note: Percentages relate to the 49% of administrations that indicated using artificial intelligence. AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Box 5.2. Examples – Use of artificial intelligence

Armenia – Detecting tax fraud and identifying high-risk taxpayers

By implementing an Artificial Intelligence (AI) & Machine Learning (ML) system, the Armenian Tax Administration (State Revenue Committee, SRC) aims to ensure the most efficient use of the accumulated legacy data and the continuously increasing volume of taxpayer-related information. The objective is to enhance the detection of tax fraud and to improve the identification of high-risk taxpayers, thereby strengthening risk-based audit selection.

For the development of the AI & ML system, a predictive gradient boosting trees model was selected. The model was trained using data from tax audits conducted in 2023 and subsequently tested on 2024 data. The results were validated against known outcomes from the 2024 tax audits.

The AI model was applied to a subset of 698 taxpayers identified through the SRC's existing risk-based system. The assessment showed that within the first decile (285 taxpayers), the probability of fraud was 1.8 times higher compared to the remaining identified taxpayers.

These results demonstrate the effectiveness of integrating AI & ML tools into the SRC's risk assessment framework and to support their further use in enhancing compliance and audit targeting.

Chinese Taipei – Generative AI-powered business, tax assistant with agentic workflows

The Business Tax Assistant system was developed to address critical pain points in business tax operations. Traditionally, tax officials have relied heavily on personal experience to conduct complex judgments and analyses - a process that is both labour-intensive and time-consuming. These challenges are often exacerbated by labour shortages and the steep learning curve faced by newcomers when resolving practical cases. Consequently, the integration of GenAI has become a high-priority expectation for modernising tax administration.

Designed using an agentic workflow, the Business Tax Assistant implements Retrieval-Augmented Generation (RAG) combined with Large Language Models (LLMs). This architecture mitigates the risk of AI hallucinations and ensures high accuracy by using natural language analysis to interpret tax laws and explain corresponding legal reasoning. To maintain decision integrity, the system adheres to a "human-in-the-loop" principle. While the AI performs the heavy lifting of screening keywords and cross-referencing statutes, legislative rationales, and administrative rulings, human officials provide the final review and verification.

Before this digital transformation, integrating diverse information sources into a coherent analysis typically required one to five working days. By simulating the professional workflow of a tax official through an AI agent, the Business Tax Assistant has revolutionised these operations. The system reduces overall processing time to under three minutes and achieves a 91% accuracy rate. This not only significantly enhances administrative efficiency but also ensures greater procedural consistency and service precision across the organisation.

Sources: Information provided by Armenia (2026) and Chinese Taipei (2026).

However, while AI offers significant potential benefits for tax administrations, its adoption must be guided by robust governance frameworks to ensure responsible and trustworthy use. Careful management is required to address ethical considerations, safeguard data privacy and confidentiality, and mitigate risks related to bias, transparency, and accountability.

Table 5.7. highlights that a large majority of administrations (85%) that use AI have put limitations in place on its use. This trend is consistent across most regions, particularly in Africa and Latin America and the Caribbean where all administrations that use AI report having such limitations.

In contrast, ethical frameworks for the application of AI are less common, with 40% of administrations reporting having such frameworks. Adoption varies significantly across regions.

Table 5.7. Artificial intelligence: Limitations and ethical framework, 2025

Percentage of administrations that use artificial intelligence and have the respective process in place by region

Region	Limitations exist on the use of artificial intelligence	Ethical framework for the application of artificial intelligence
AFR	100	25
AS-CW	57	43
AS-ES	91	55
EU-CE	67	0
EU-NSW	92	39
LAC	100	40
PAC	0	0
Average	**85**	**40**

Note: Percentages relate to the 49% of administrations that indicated using artificial intelligence. AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

One of the most significant risks associated with the use of AI is ensuring that its outcomes remain objective. To address this, tax administrations are putting in place a range of processes and controls. These processes are either carried out by the tax administration or by a third party, with Table 5.8. and Table 5.9. providing a breakdown by approach.

Around 80% of administrations indicated that they themselves carry out reviews of AI input information, the probing and testing of AI responses, and the monitoring of AI outputs. These approaches reflect a focus on validating the quality of the data feeding AI systems as well as stress-testing outputs to detect bias or errors, indicating an emphasis on ongoing oversight once AI models are deployed. The review of the AI source code is done by slightly more than 50% of tax administrations.

Regional patterns show some differences. For example, all administrations in Central and West Asia report reviewing the inputs and outputs, and around 70% of administrations using AI in Africa, Central and West Asia, and North, South and West Europe report reviewing the AI source code.

Table 5.8. Artificial intelligence: Ensuring objectivity through processes carried out by tax administrations, 2025

Percentage of administrations that use artificial intelligence and have the respective process in place by region

	Processes carried out by the administration to ensure that decisions by the artificial intelligence are objective				
Region	Reviewing of AI source code	Reviewing of AI input information	Probing and testing of AI responses	Monitoring of AI outputs	Other approaches
AFR	75	75	75	50	25
AS-CW	71	100	100	100	29
AS-ES	55	73	82	73	18
EU-CE	11	100	89	89	0
EU-NSW	69	85	77	77	46
LAC	20	40	80	60	20
PAC	0	0	0	0	0
Average	**53**	**81**	**81**	**79**	**26**

Note: Percentages relate to the 49% of administrations that indicated using artificial intelligence. AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

The use of third parties to ensure that decisions by the AI are objective is less common across all AI-using administrations. On average, the most reported measures are probing and testing of AI responses (21%) and reviewing AI input information (19%). This suggests that tax administrations largely retain responsibility for ensuring the objectivity of AI systems in-house, with external assurance playing a more limited role.

Table 5.9. Artificial intelligence: Ensuring objectivity through processes carried out by third parties, 2025

Percentage of administrations that use artificial intelligence and have the respective process in place by region

Region	Processes carried out by third parties to ensure that decisions by the artificial intelligence are objective				
	Reviewing of AI source code	Reviewing of AI input information	Probing and testing of AI responses	Monitoring of AI outputs	Other approaches
AFR	50	50	50	25	25
AS-CW	14	29	29	29	14
AS-ES	27	27	27	27	18
EU-CE	11	11	22	0	0
EU-NSW	8	15	8	8	8
LAC	20	0	20	0	20
PAC	0	0	0	0	0
Average	**17**	**19**	**21**	**13**	**13**

Note: Percentages relate to the 49% of administrations that indicated using artificial intelligence. AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

For more information on the use of AI in tax administration, see also the sub-chapter "AI in tax administration" included in the 2025 OECD report *Governing with Artificial Intelligence: The State of Play and Way Forward in Core Government Functions* (OECD, 2025[3]).

Innovations

With the management and application of tax rules being automated to a large extent and with vast amounts of data being internally and externally generated, tax administrations continue to look at new and innovative approaches to reduce burdens, provide certainty and ensure compliance.

Table 5.10. highlights some of those innovative approaches. For example:

- Using IT systems that automatically detect errors or inconsistencies in the data provided by stakeholders is reported by 68% of administrations, with particularly high adoption in Europe and Central and West Asia.
- Provide taxpayers or businesses with the opportunity to test upfront tax treatments of scenarios to inform their decision making and to allow them to understand their future tax liabilities, is reported by 31% of administrations and relatively similar across all regions.
- Using Distributed Ledger Technology (DLT) in tax administration processes remains limited overall, with only 8% of administrations reporting this. However, 20% of administrations in Central and West Asia and in Latin America and the Caribbean report using DLT.

Table 5.10. Innovative approaches used as part of tax rule management, 2025

Percentage of administrations that have the respective process in place by region

Region	IT systems are in place that automatically (i.e. without human intervention) identify errors or inconsistencies in the data provided by stakeholders	IT system enable the taxpayer or business to test upfront tax treatments of scenarios to inform their decision making and liabilities	Distributed Ledger Technology (DLT)	
			DLT used in administration's taxation processes	If yes, administration uses smart contracts embedded within DLT
AFR	41	24	0	0
AS-CW	90	40	20	0
AS-ES	75	30	10	100
EU-CE	86	36	0	0
EU-NSW	90	37	5	0
LAC	63	31	20	100
PAC	0	13	0	0
Average	**68**	**32**	**8**	**56**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands.
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 20 January 2026).

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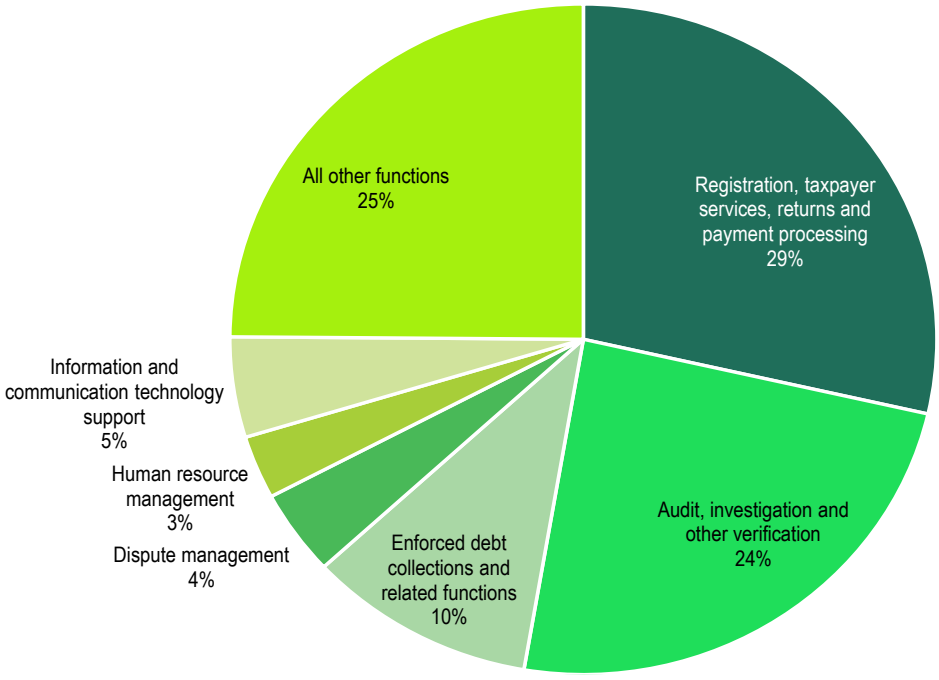
6 New skill sets

This chapter examines tax administrations' approaches to identifying and mapping skills, both current and future. It also explores how administrations are seeking to foster a digital culture, internally among staff and externally in their interactions with taxpayers and other stakeholders.

Shifting skill sets

As reported in the data from the International Survey on Revenue Administration (ISORA), in 2024, salary costs accounted for 68% of tax administrations' operating budgets on average (ADB, CIAT, IMF, IOTA and OECD, 2026[1]). This underscores the importance of staff and their skills to any successful digital transformation. Over recent years, the allocation of staff by function has remained relatively stable. On average, around 29% of staff are employed in the "Registration, services, returns and payment processing" function, with another 24% working in "Audit, investigation and other verification". These are followed by the "Enforced debt collection" function, which accounts for approximately 10% of staff (see Figure 6.1.).

Figure 6.1. Staff usage by function, 2024



Note: This is based on the Fiscal Year 2024 ISORA data for 142 economies that were able to provide the data for all tax administration functions.
Source: ADB, CIAT, IOTA, IMF, OECD, International Survey on Revenue Administration, https://isoradata.org (accessed on 17 June 2026).

StatLink https://stat.link/rcq3o7

While these aggregate figures have shown little variation over time, they mask important underlying changes in the nature of the skills required within each function. Tax administrations have already begun to invest in new skill sets to support the expansion of e-administration, the delivery of new digital services, and the development of data and analytical capabilities. Roles that once relied predominantly on procedural knowledge are increasingly complemented by competencies in areas such as systems management, data interpretation, and digital service design.

This shift towards new and more advanced skills is expected not only to continue but to accelerate with digital transformation. As digital platforms and emerging technologies, such as AI, become more deeply embedded in tax administration operations, the skills profile of the workforce will need to evolve accordingly. Existing staff may need to acquire technical expertise across a range of domains, including data analytics, cyber security, and digital risk management. At the same time, administrations may need to recruit new staff with specialised technical backgrounds to complement traditional tax expertise. As

mentioned in the 2020 Tax Administration 3.0 report "The skills required will be more focussed on supporting the operation and evolution of the tax administration system as a whole. This will require an expansion in the number of IT professionals, programmers, data scientists, behavioural scientists and strategists." (OECD, 2020[2])

Skill identification and mapping

For a successful digital transformation, tax administrations may benefit from systematically identifying and mapping both the skills that will be required in the future and the capabilities that currently exist within the organisation. This dual perspective allows administrations to assess skill gaps, plan targeted training initiatives, and make informed decisions about recruitment and workforce planning.

As shown in Table 6.1., progress in identifying and mapping skills needed for digital transformation remains uneven across regions. Overall, around one quarter of administrations (24%) report having identified the future skills required for a successful digital transformation across the whole administration, while a further 44% have undertaken such identification for parts of the administration.

Among administrations that have identified future skills needs, 64% also report mapping the skills of their current workforce against those required. Where such mapping exercises are undertaken, the outcomes are typically reflected by administrations in their wider HR strategy (89%). Also, 81% of administrations indicated that mapping covers a multi-year period, while 87% state that results are reviewed regularly.

From a regional perspective, particularly African (89%) and Asian (75-80%) administrations reported having conducted a skills identification exercise either for the whole or for parts of the administration. When it comes to mapping the skills of officials against the skills identified, Asia shows the highted percentages (80-88%). Interestingly, in situations where this skills mapping is carried out, all administrations in Europe and the Pacific Islands do this over a multi-year period with a regular review cycle and an alignment with the broader HR strategy.

Table 6.1. Skills for digital transformation: Identification and mapping, 2025

Percentage of administrations with the respective process in place by region

	Identification of future skills for a successful digital transformation		If yes (for whole or parts of the administration) …			
			Skills of officials are mapped against skills that are required	If yes, …		
Region	For the whole administration	For parts of the administration		Mapping covers a multi-year period	Mapping is reviewed on a regular basis	Mapping outcomes are reflected in the wider HR strategy
AFR	24	65	60	78	89	89
AS-CW	20	60	88	71	100	83
AS-ES	30	45	80	92	83	92
EU-CE	21	21	67	100	100	100
EU-NSW	21	47	46	100	100	100
LAC	38	31	55	50	50	67
PAC	13	38	50	100	100	100
Average	**24**	**44**	**64**	**81**	**87**	**89**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Skill identification and mapping are inherently complex processes, particularly in large and functionally diverse organisations. This helps explain why around one third of the administrations that have identified the future skills needed for digital transformation (for the whole administrations or for parts of it) report

having relied on external suppliers, such as a consultancy firms, to support both exercises (see Table 6.2.). External expertise may provide methodological rigour, benchmarking insights, and an objective assessment of organisational capabilities.

The challenge of adapting skills to support digital transformation is not unique to tax administrations. Other public sector bodies, as well as private sector organisations, face similar pressures. As a result, collaboration, whether within government or with external partners, can be an effective way to address common challenges, share good practices, and develop scalable solutions.

As demonstrated in Table 6.2., administrations that have identified the future skills needed for digital transformation frequently rely on external collaboration to help address skills gaps. Close to two thirds of these administrations collaborate with other government organisations or external partners to improve staff skills required for digital transformation, highlighting the importance of cross-government and external expertise in building digital capabilities.

Collaboration is less common, though still significant, in relation to recruitment with 43% of administrations report working with other government bodies or external partners to support the development of a potential recruitment pool for digital transformation roles.

Across regions, administrations show distinct patterns in how they use external suppliers and collaborate to build digital-transformation skills:

- Administrations in Asia show the highest use of external suppliers for both identifying future skills and mapping current ones, paired with high levels of collaboration to improve staff capabilities and develop recruitment pools.
- Administrations in Central and East Europe as well as Latin America and the Caribbean very much rely on collaboration for staff upskilling but use less frequently external suppliers for skills identification and mapping.

Table 6.2. Skills for digital transformation: Use of external suppliers and collaboration, 2025

Percentage of administrations with the respective process in place by region

Region	External supplier, such as a consultancy firm, conducted …		Collaboration with other government organisations or external partners …	
	The identification of future skills required	The mapping of skills that officials currently have	To improve staff skills required for digital transformation	For a potential recruitment pool for digital transformation
AFR	40	33	47	40
AS-CW	57	57	71	50
AS-ES	47	50	67	53
EU-CE	33	33	83	50
EU-NSW	8	15	62	46
LAC	27	18	89	27
PAC	50	25	25	0
Average	**36**	**32**	**64**	**43**

Note: Percentages relate to administrations that have identified the future skills needed for a successful digital transformation either for the whole administrations or for parts of it (see Table 6.1.).
AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

To assist administrations with understanding their maturity regarding human resources (HR) management, the FTA developed the *Human Resources Maturity Model*, which highlights elements that are important

for implementing and maintaining good HR practices, including strategy setting and governance processes, workforce planning and management, and staff support. (OECD, 2025[3])

Box 6.1. Bulgaria – Human capital development and responsible use of AI

Over the past two years, the National Revenue Agency (NRA) of Bulgaria has undertaken targeted steps to enhance organisational readiness for digital transformation, with a focus on human capital, learning and organisational resilience, in line with the "Tax Administration 3.0" vision of the OECD (OECD, 2020[2]).

Within the Human Resources Directorate, the Training Unit streamlined the internal learning environment by improving the user interface and navigation of the learning management system, resulting in enhanced accessibility, usability and overall user experience for staff.

In parallel, the Training Unit initiated the practical use of generative artificial intelligence as a supportive tool in the development of learning content. AI is applied to assist with the structuring and refinement of texts, improving clarity and consistency of materials, as well as to generate synthetic voice narration for selected training resources. This enables the creation of more flexible and scalable multimedia learning formats. The use of AI is limited to non-sensitive content and does not involve automated decision-making.

At the same time, across the NRA, structured planning is underway for the gradual and responsible deployment of various AI tools. This work is carried out by the unit responsible for information systems and technological infrastructure, and it includes the identification of needs and appropriate use cases, consideration of ethical and governance aspects, as well as the development of tailored tools and learning programs aimed at strengthening digital skills related to the informed and responsible use of AI.

Source: Information provided by Bulgaria (2026).

Digital culture

Transforming organisational culture is a core element of successful digital transformation in tax administrations. This involves articulating and communicating a clear vision of digital transformation and the benefits it can deliver, not only within the administration itself, but also for taxpayers and society more broadly.

Building a digital culture is typically a gradual process that requires challenging established ways of working, encouraging experimentation, and embedding new methods and mindsets across the organisation. Taking a strategic and structured approach can therefore be beneficial.

As shown in Table 6.3., 65% of administrations report having developed a strategy to foster a digital culture within the administration. In addition, 51% have developed similar strategies aimed at the taxpayer community, while 45% have done so in relation to the advisor community.

As mentioned, communication is important for success, particularly to maintain stakeholder buy-in, which is why:

- 68% of administrations ensure their digital transformation strategy is communicated to all staff so that they understand their roles and responsibilities; and

- 71% of administrations regularly update staff and other key stakeholders on the implementation and progress of the digital transformation strategy.

Across regions, administrations display distinct patterns in how they foster a digital culture through strategy, communication, and engagement, with administrations from Africa, Asia, and Latin America and the Caribbean reporting relatively high rates of developing strategies to build a digital culture within the administration. Communication of digital-transformation changes to officials is very similar across almost all regions as is regular engagement with staff and stakeholders.

Table 6.3. Digital culture: Strategy, communication and engagement, 2025

Percentage of administrations with the respective process in place by region

Region	Strategy developed to build a digital culture within the …			The digital transformation strategy or changes are communicated to all officials so that they understand their individual roles and responsibilities	Staff and other stakeholders are regularly engaged on the digital transformation strategy, its implementation and progress
	Administration	Taxpayer community	Advisor community		
AFR	71	59	59	77	65
AS-CW	70	60	50	70	80
AS-ES	80	55	45	80	75
EU-CE	50	29	29	71	86
EU-NSW	63	53	42	63	68
LAC	80	60	53	73	80
PAC	13	50	25	25	0
Average	**65**	**51**	**45**	**68**	**71**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 20 January 2026)

Box 6.2. Examples – Promoting a digital culture

Canada – Digital learning and culture strategy

The Canada Revenue Agency (CRA) is advancing its digital transformation through the Digital Learning and Culture Strategy, designed to equip its 50 000+ employees with the mindset, skills, and behaviours needed to embed digital practices in their work. This initiative is enabling the CRA to deliver better programmes and services while transforming how employees work and grow.

The CRA's approach to the people side of digital transformation is structured around three stages:

- Building Awareness: Introducing employees to digital concepts and foundational learning opportunities.
- Integration and Application: Supporting employees in applying digital knowledge to their roles, fostering behavioural change.
- Empowerment and Growth: Enabling employees to continuously refine processes using digital practices.

This strategy is built on two key pillars: Digital Learning and Digital Culture, which together empower employees to thrive in a digitally evolving organisation.

Digital Learning Programme

- Offers tailored resources, developed in collaboration with CRA experts and the Canada School of Public Service, covering topics including Agile, artificial intelligence, and data management.
- Serves as a centralised hub, iteratively evolving based on employee feedback and organisational needs to address varying levels of digital maturity.

Digital Culture

- Embeds digital practices as part of employees' belief systems, making them second nature in their work.
- Includes sessions on the Government of Canada Digital Standards, which include a needs assessment survey to identify and address learning gaps.
- Encourages digital behaviours through storytelling, success stories, and awareness initiatives, motivating employees to challenge outdated processes and adopt modern practices.

The CRA recognises that digital transformation requires adaptability and collaboration, especially with a workforce spanning diverse roles and digital proficiencies. By fostering a culture of continuous learning and embedding digital practices into its operations, the CRA is positioning itself as a leader in public sector digital transformation, ensuring it remains responsive and effective in a rapidly evolving digital landscape.

Japan – Promoting consistent digitalisation from transactions to accounting and taxation

In conjunction with the digitalisation of tax procedures, digitalising both economic transactions and administrative tasks will make it possible for businesses to handle digital processes seamlessly. This will lead to improvements in productivity and management through higher efficiency of operations and data accuracy by preventing simple errors. Digitalising billing, payment, and record-keeping, where data is preserved without modification, reduces administrative burdens and allows linking such data to tax declaration and payment processes, improving overall tax compliance.

Therefore, the National Tax Agency of Japan (NTA) has been engaging in various initiatives to promote digitalisation among businesses, such as publicising information comprehensively and clearly with respect to tax-related digital measures. In addition, the NTA has been collaborating and cooperating with other ministries and organisations to implement measures for disseminating clear information concerning initiatives that support the digitalisation of businesses, including digital invoice and cloud accounting software.

Sources: Information provided by Canada (2026) and Japan (2026).

More information on the importance of transforming the organisational culture and adopting an innovative and taxpayer-centric mindset throughout the organisation, including recommended actions and case studies, can be found in the report *Tax Administration 3.0 - From Vision to Strategy* (OECD, 2025[4]).

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OECD (2025), *Tax Administration 3.0 - From Vision to Strategy*, OECD, Paris, http://www.oecd.org/content/dam/oecd/en/topics/policy-issues/tax-administration/tax-administration-3-0-from-vision-to-strategy.pdf. [4]

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7 Governance frameworks

This chapter explores how tax administrations are approaching digital transformation and examines the strategies, structures, and governance mechanisms they have put in place.

Digital transformation strategy

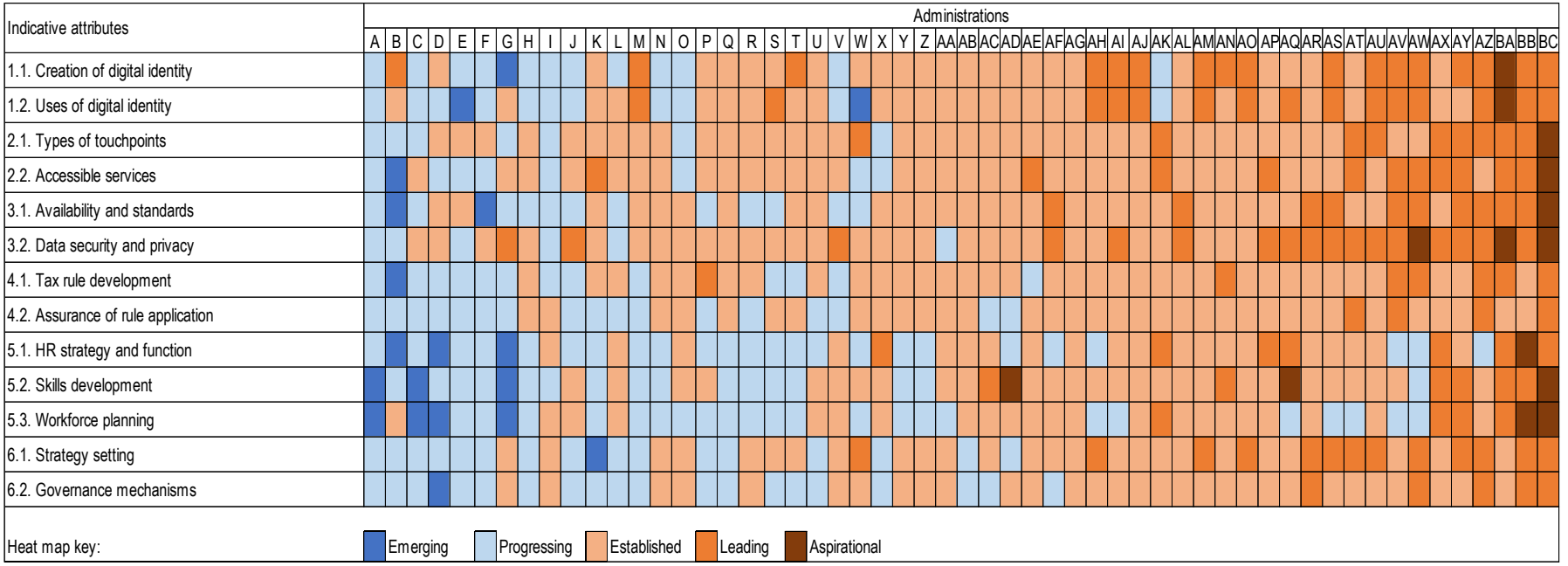
Embedding digital transformation within the core governance structures and processes of a tax administration is essential for ensuring that long-term transformation objectives are balanced against immediate operational priorities. Effective digital transformation increasingly requires integration across systems, processes, and data flows that span multiple domestic and international stakeholders in both the public and private sectors. A well-designed governance framework will help bringing these stakeholders together in a structured and transparent way. It supports tax administrations in establishing clear decision-making processes, consistent guidelines, and well-defined roles and responsibilities, all of which are crucial to the effective implementation and oversight of digital transformation initiatives.

Approaches to governance frameworks vary depending on each administration's institutional context, strategic ambitions, and organisational maturity. At their core, however, effective governance models articulate clear objectives for digital transformation, define the strategic actions needed to achieve those objectives, and set out how stakeholders will collaborate.

Digital transformation represents a fundamental reshaping of an organisation's operating model. For large and complex entities such as tax administrations, this transformation necessarily happens incrementally. To ensure that the process is coherent, sequenced, and strategically aligned, many administrations are developing dedicated digital transformation strategies that set out the main objectives, priorities, and timelines for this journey.

To help administrations identify suitable pathways and assess their current position, the FTA has developed the *Digital Transformation Maturity Model* (OECD, 2022[1]) which is available in multiple languages. This self-assessment tool enables administrations to evaluate their existing level of digital maturity, understand the characteristics of more advanced stages, and identify strategic areas for improvement. It thereby provides a practical foundation for designing or refining digital transformation strategies. The model has been completed by almost 60 tax administrations. The assessment results, published in the form of an anonymised heat map (see Figure 7.1), also allow tax administrations to compare themselves with peers and to reach out, through the OECD Secretariat, for peer-to-peer discussion and learning purposes. (OECD, 2022[1])

Figure 7.1. Digital Transformation Maturity Model self-assessment results

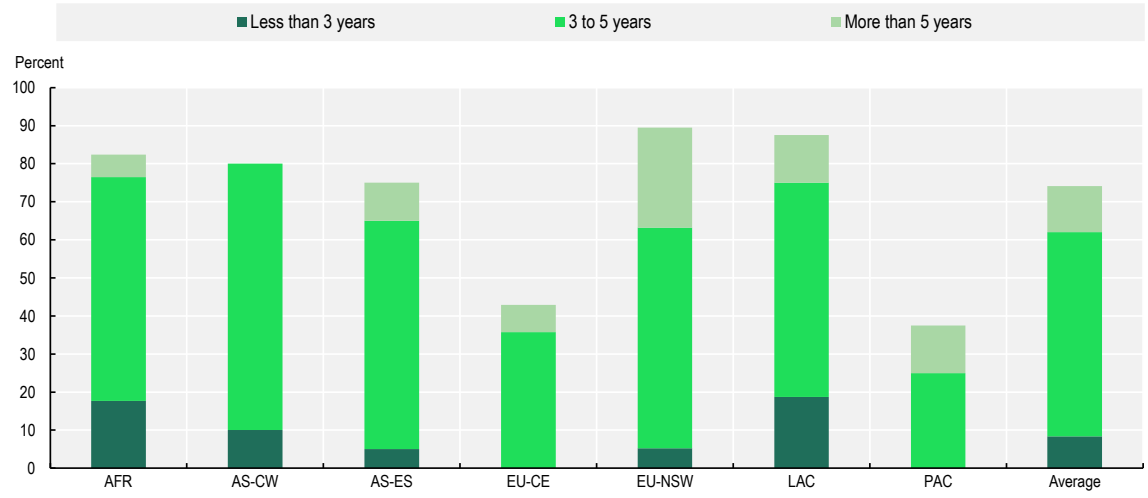


Source: OECD (2022), Digital Transformation Maturity Model, https://www.oecd.org/content/dam/oecd/en/topics/policy-issues/tax-administration/digital-transformation-maturity-model.pdf (accessed on 15 June 2026).

The importance of having such a strategy is reflected in Figure 7.2., which shows that 74% of tax administrations have developed a digital transformation strategy, with particularly high adoption rates in North, South and West Europe at (90%), Latin America and the Caribbean (88%), Africa (82%), and Central and West Asia (80%). Among those with a strategy, 73% have opted for a 3-5-year planning horizon, while the remaining administrations chose either shorter-term or longer-term approaches, see also Table 7.1.

Figure 7.2. Digital transformation strategies: Existence and time frame, 2025

Percentage of administrations with a digital transformation strategy in place and its time frame by region



Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 20 January 2026)

StatLink https://stat.link/mdph73

Table 7.1. further demonstrates that almost all administrations (95%) actively monitor progress against their digital transformation strategies, an essential component of governance processes.

In addition, administrations recognise the value of aligning their own strategy with the government's wider digital transformation agenda as this may help deliver integrated public services, reduce duplication, and generate efficiencies of scale. The presence of a government-wide digital transformation strategy is high across regions, with most reporting a coverage between 80-100%. Where such government-wide strategies exist, alignment at the tax-administration level is also consistently strong with 95% on average, reaching 100% in Central and West Asia, Central and East Europe, and the Pacific Islands.

Finally, the availability of ring-fenced funding for the duration of the strategy may also be something administrations want to consider ensuring its sustainability. On average, 58% of administrations report having secured ring-fenced funding. However, this differs significantly across regions, with more than 80% of administrations in Asia reporting that funding is ring-fenced, while in Europe this figure is around one third.

Table 7.1. Digital transformation strategy features, 2025

Percentage of administrations with the respective process in place by region

Region	Digital transformation strategy developed	If yes, …						
		Time frame of the strategy			Progress against the digital transformation strategy is monitored	Funding is ring-fenced for the duration of the strategy	Government has a wider digital transformation strategy	If yes, …
		Less than 3 years	3 to 5 years	More than 5 years				Administration's strategy has been aligned to the government's wider digital transformation strategy
AFR	82	21	71	7	100	64	86	92
AS-CW	80	13	88	0	100	86	100	100
AS-ES	75	7	80	13	93	80	100	93
EU-CE	43	0	83	17	100	33	83	100
EU-NSW	90	6	65	29	88	29	100	94
LAC	88	21	64	14	93	71	86	92
PAC	38	0	67	33	100	67	67	100
Average	**74**	**11**	**73**	**16**	**95**	**58**	**93**	**95**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Digital transformation affects every part of a tax administration as well as a broad ecosystem of taxpayers, intermediaries, service providers, and policymakers. To improve the quality of their strategies and to ensure success, many administrations involve stakeholders early in the strategic design phase.

As Table 7.2. shows, nearly all administrations (98%) with a digital transformation strategy involved relevant internal stakeholders, and a significant amount sought feedback and input from external stakeholders. Engagement with external stakeholders is also widespread, on average 89%, particularly in Central and West Asia and the Pacific Islands, where all administrations seek external input.

Furthermore, the use of data analysis and scenario modelling is less uniform, with 60% of administrations incorporating analytics to support strategic planning, reflecting varied levels of analytical maturity across regions. Administrations from Asia are typically making use of data analysis and analytics as part of drawing-up a digital transformation strategy, with rates exceeding 85%.

Table 7.2. Digital transformation strategy development, 2025

Administrations that have the respective process in place as a percent of those that have a digital transformation strategy

Region	All key internal stakeholders, including senior management and relevant functional areas, involved in drawing-up the strategy	Input sought from external stakeholders, such as other parts of government, tax policy makers, taxpayer bodies and representatives	Data analysis and analytics used to forecast different scenarios during the process of drawing-up the strategy
AFR	100	93	64
AS-CW	100	100	88
AS-ES	100	87	87
EU-CE	100	83	33
EU-NSW	94	77	29
LAC	93	93	69
PAC	100	100	67
Average	**98**	**89**	**60**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Box 7.1. Examples – Digital transformation strategies

Seychelles – The SRC's digital transformation journey

In mid-2024, the Seychelles Revenue Commission (SRC) launched a 365-day transformation programme as a strategic initiative to address the gaps in the institution. The SRC began this process with a diagnostic assessment which revealed a number of obstacles – siloed internal systems, limited investment in people, a public image characterised by enforcement rather than service and untapped opportunities to innovate. This led to the Transformation Programme which was designed to guide the 12-month journey. Key pillars of the programme included:

- **Digitalisation for service** – modernise to simplify tax processes, make them more transparent and user-friendly for staff and citizens.
- **Voluntary compliance over coercion** – encouraging and facilitating a shift from punitive enforcement to trust-based compliance, driven by taxpayer education, segment-based service models, and data-driven risk approaches.
- **People and culture at the centre** – investment in staff, rebuilding morale, creating pathways for leadership, and establishing a culture of accountability, learning and pride.
- **Performance and delivery** – defining clear targets, tracking progress, and delivering measurable value for national development.

The SRC Transformation Programme was endorsed by the Cabinet of Ministers, with the support of the Minister of Finance, National Planning and Trade. This provided the programme with legitimacy, accountability and political support.

Through the 365-day programme, SRC successfully launched the following initiatives:

- Launching of the Tax Management System (TMS)
- Introduction of e-payments online and via a messaging app for import and export taxes.

- Mandating electronic filing for monthly and annual tax returns.

Togo – Technology acquisition strategy

The digitalisation of the Togolese Revenue Authority (OTR) is guided by two key planning documents: the government roadmap, which spans four to six years, and the OTR's overall strategic plan, which covers three to five years. Digitalising the revenue authority is a central pillar of these strategic plans. The multi-year IT plan for 2024–2027 aims to optimise and digitise processes, modernise tools and services for stakeholders, secure infrastructure, services, and data, and improve IT governance.

When evaluating ICT solutions and systems, the OTR prioritises quality, support, training, maintenance, and service security to ensure a positive customer experience. Technology acquisition is carried out in compliance with domestic law and the directives of the West African Economic and Monetary Union. The acquisition policy is implemented by the internal public procurement body, which formulates needs through terms of reference, benchmarks market solutions, advises technological and strategic partners, and manages contracting.

The technology acquisition process follows a transparent, open tendering procedure to guarantee the best quality-price ratio. Additionally, the authority ensures efficient contract management by meeting contractual requirements, providing training for acquired solutions, and implementing change management processes.

IT metrics are measured according to SMART criteria (Specific, Measurable, Attainable, Relevant, Time-bound). Mid-term and end-of-period evaluations assess the achievement of effect and impact indicators, draw lessons learned, and propose corrective measures where necessary.

Measurement tools include operational plan evaluations, performance reports, surveys (satisfaction, site visits, etc.), Compliance Risk Management audits, and orientation seminars. These are conducted by different departments including the Steering Committee, the Department of Studies and Strategic Planning, and the Internal Audit and Quality Assurance Department. These tools ensure that the revenue authority understands the level of satisfaction with adopted ICT solutions and their effectiveness in meeting set objectives. Continuous monitoring enables the tax administration to adapt to current business needs and the environment in which it serves taxpayers.

Sources: Information provided by Seychelles (2026) and Togo (2026).

Digital transformation governance

A central component of an effective governance framework is the establishment of a governance body with clear authority to oversee processes, guide strategic decisions, and ensure that the actions set out in the digital transformation strategy are implemented consistently and effectively.

Table 7.3. outlines that 71% of administrations have a senior management governance body in place to oversee the digital transformation of the administration. Across regions, North, South and West Europe shows the highest adoption at 84%, followed by Africa at 82%. Among administrations that have such governance bodies, the inclusion of external stakeholders varies widely, with an average of 40% having external stakeholders holding formal positions on the governance body. Latin America and the Caribbean stands out as the region with the highest rate of external stakeholder participation (70%).

As regards the types of external stakeholders involved in governance bodies: participation is highest from other parts of government (81%), followed by private-sector (39%) and civil-society (26%).

Table 7.3. Governance bodies, 2025

Percentage of administrations with the respective process in place by region

Region	Senior management governance body established to oversee the digital transformation	If yes, …				
		External stakeholders have formal positions on the governance body	If yes, sectors where external stakeholder come from …			
			Other parts of government	Private sector	Civil society	Other sectors
AFR	82	36	80	40	40	40
AS-CW	70	43	100	67	0	0
AS-ES	65	53	71	43	43	43
EU-CE	57	38	100	33	33	0
EU-NSW	84	31	80	40	40	0
LAC	63	70	86	29	0	14
PAC	63	20	0	0	0	100
Average	**71**	**40**	**81**	**39**	**26**	**23**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Beyond formal governance bodies, many administrations have embedded additional governance mechanisms to support transformation. Table 7.4. highlights that, on average:

- 75% of administrations have programme-management activities adopted to support the transition to a digital tax administration;
- 65% of administrations have introduced specific roles or positions dedicated to leading digital-transformation work, such as chief digital officers; and
- In 74% of the economies, governments have a whole of government approach to digital transformation governance.

The percentages are very similar across regions, with the exception of the Pacific Islands region.

Table 7.4. Other selected governance features, 2025

Percentage of administrations with the respective process in place by region

Region	Programme-management activities adopted that support transitioning to a digital tax administration	Specific roles / positions in place to manage and lead the work on digital transformation, e.g. a chief digital officer	Government has a whole of government approach to digital transformation governance	If yes, …
				Administration is directly represented in the governance structures of the whole of government approach
AFR	77	77	77	46
AS-CW	70	70	80	75
AS-ES	75	65	80	69
EU-CE	71	50	86	42
EU-NSW	79	68	79	67
LAC	80	73	67	70
PAC	63	25	50	75
Average	**75**	**65**	**74**	**62**

Note: AFR – Africa, AS-CW – Central and West Asia, AS-ES – East and South Asia, EU-CE – Central and East Europe, EU-NSW – North, South and West Europe, LAC – Latin America and the Caribbean, PAC – Pacific Islands
Source: OECD et al. (2025), Inventory of Tax Technology Initiatives, https://www.oecd.org/content/oecd/en/data/datasets/inventory-of-tax-technology-initiatives.html (accessed on 15 June 2026).

Understanding the importance of setting a digital transformation strategy and having the proper governance structures in place, the OECD published the report *Tax Administration 3.0 - From Vision to Strategy* (OECD, 2025[2]). This report describes the actions that Commissioners and senior leaders can take in order to develop and operationalise a digital transformation strategy. It covers organisational change and how administrations operate internally, as well as how they engage with the wider tax ecosystem. It also contains several links to presentations on actions already being taken by different administrations in order to provide inspiration for possible new initiatives.

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Digitalisation and Digital Transformation in Tax Administrations

Regional Trends and Insights

This report provides an overview of the extent of the use of technology by tax administrations. It brings together the data from 108 economies included in the Inventory of Tax Technology Initiatives and groups them by geographical regions to facilitate the comparison of progress, the understanding of current developments, and the identification of emerging practices. Its primary purpose is to assist tax administrations when considering possible domestic reforms as well as to help identify where future collaboration between tax administrations might be of most value.

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