

Managing Cross-Cutting Risks in a Function-Based Organization



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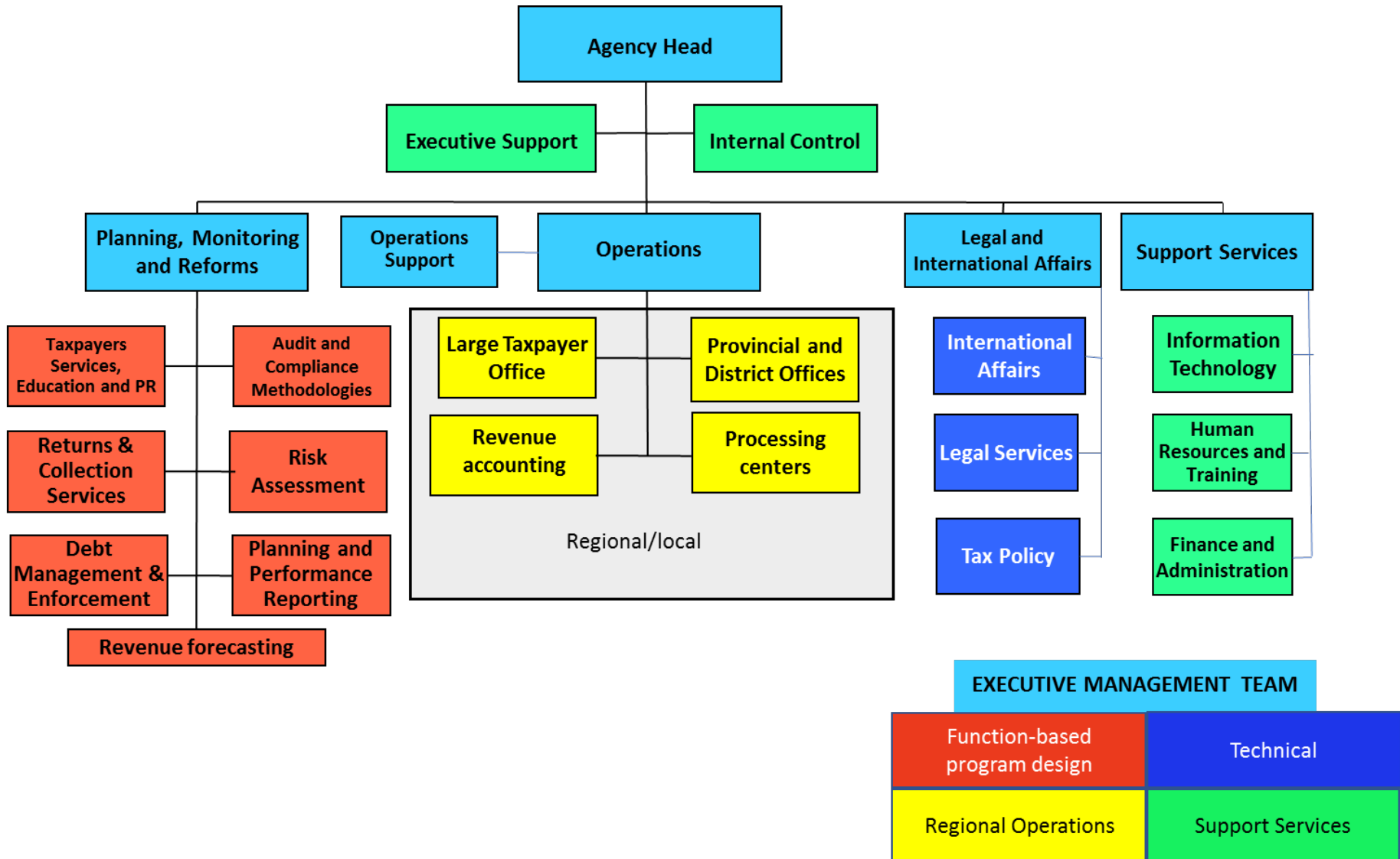
International Good Practice

- Core tax processes most efficiently performed by units organized by tax function and support service

Tax functions	Support services
Registration	Taxpayer services
Filing enforcement	Dispute resolution
Payment and debt collection	Planning and performance
Correct reporting (audit)	

- Often combined with segmentation
 - Large taxpayer office - to provide specific focus on important taxpayers
 - Programs for medium and small taxpayers

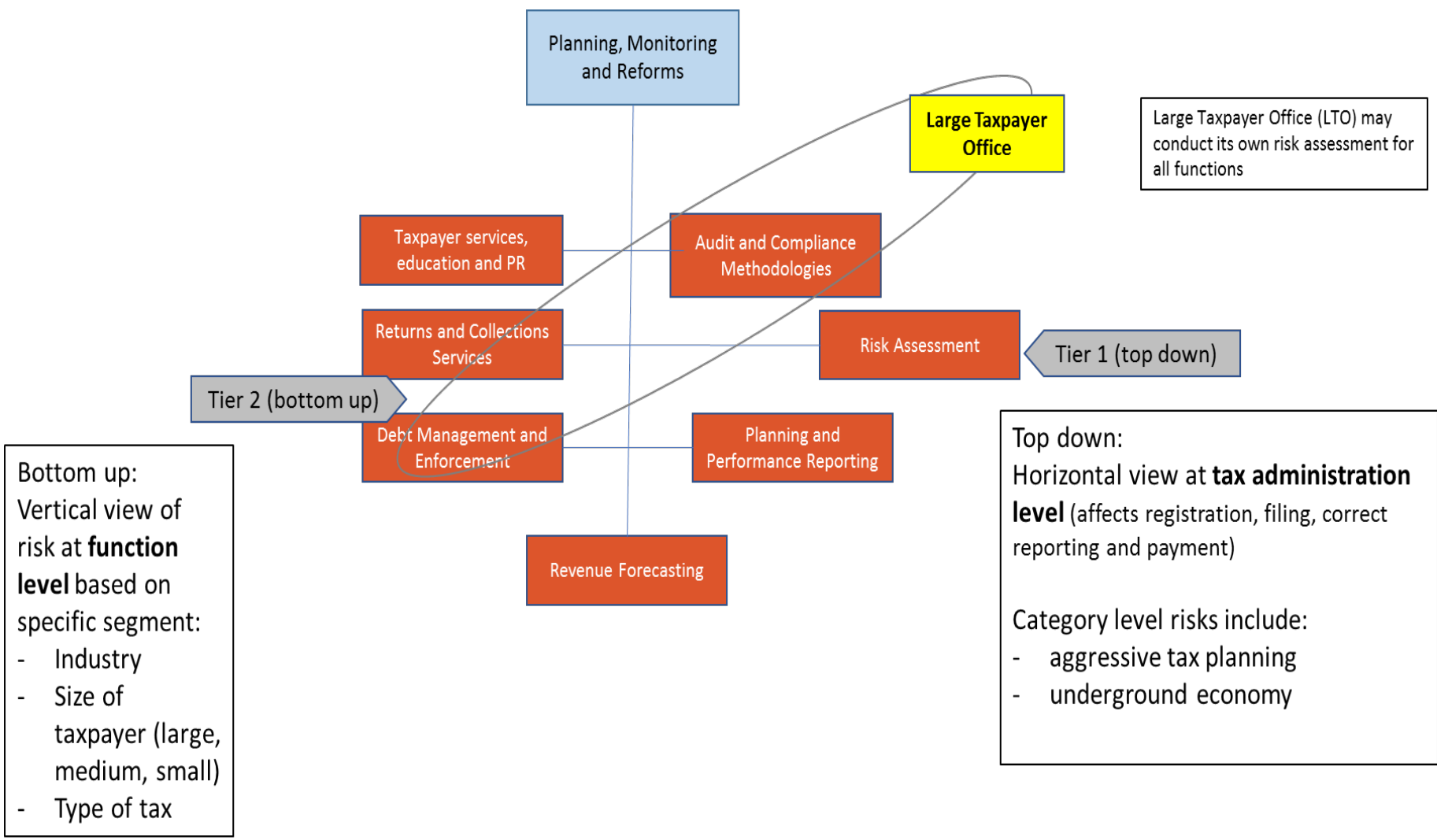
Function-based structure with segmentation of large taxpayers



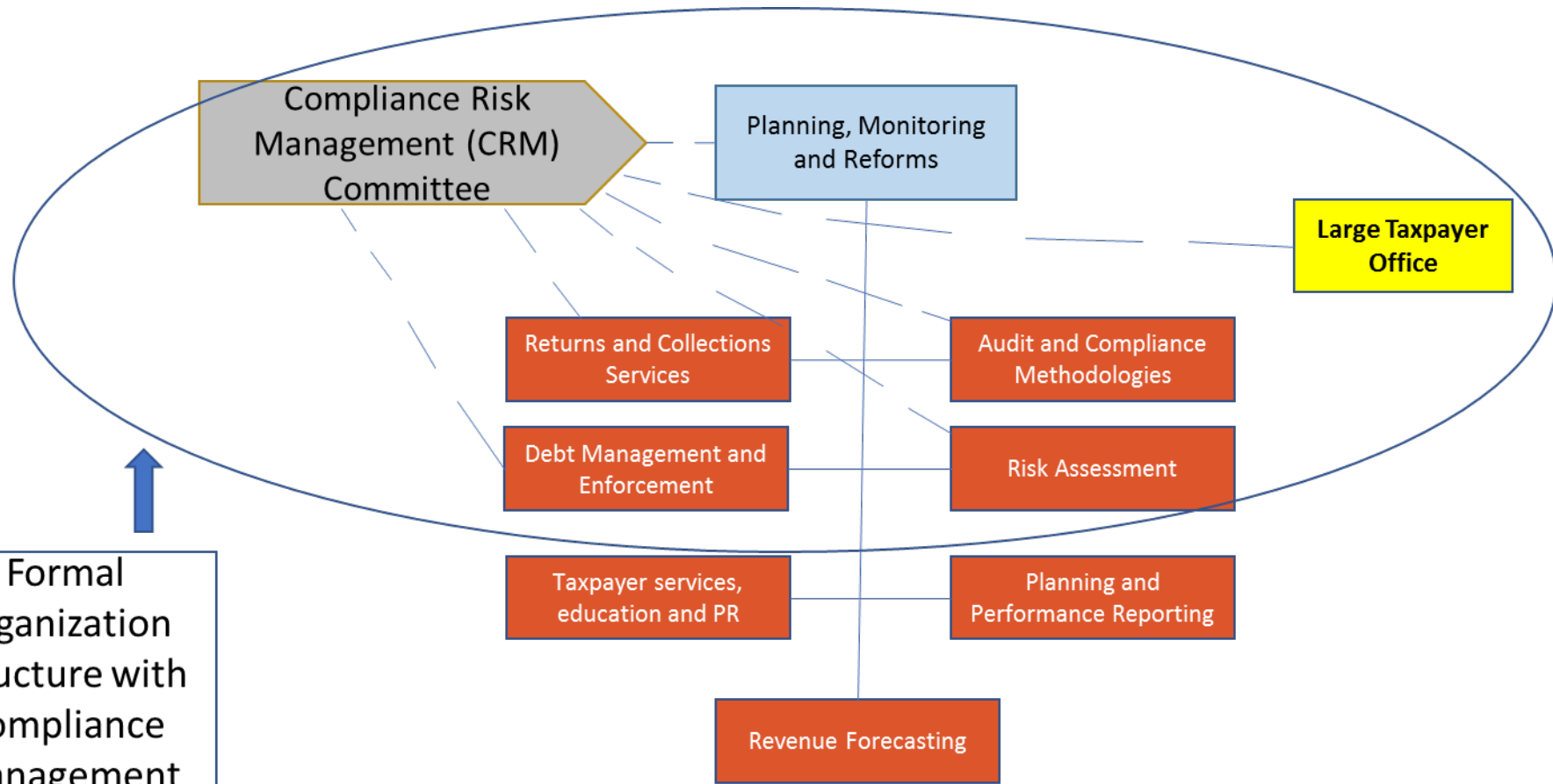
However....

- Structure can diminish priority attention on other perspectives
- EG, develop compliance strategies for:
 - Particular taxes
 - Segments (large, medium, small, micro)
 - Industry sectors
 - Priority risk categories, eg aggressive tax planning, underground economy

Identification of risk – a multi-tiered view



Developing strategies to treat risk: structure and process



Formal organization structure with compliance management process overlaid

Structure + Process = Effective management of risks to revenue

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Thank you